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The BANKERS' MAGAZINE

58TH JULY 1904 Year

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NOTICE.—The BANKERS' MAGAZINE having been consolidated with RHODES' JOURNAL OF BANKING, the volume number of the former only is retained.

BOUND VOLUMES.—Beginning with July, 1895 (consolidation of the BANKERS' MAGAZINE with the JOURNAL), the volumes comprise the numbers for six months.

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THE

BANKERS' MAGAZINE

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-EIGHTH YEAR. JULY, 1904. VOLUME LXIX, NO. 1.

THE EXPORTS OF MERCHANDISE for the first ten months of the fiscal year beginning July 1, 1903, showed an excess over imports of nearly $450,000,000, which is greater than for any ten months since 1901, and exceeding by over $88,000,000 the similar period for the previous year.

One would naturally suppose, if the statistics giving this result were correct, that there need to have been no anxiety about making the payment on account of the Panama Canal without an undue pressure upon the gold reserve of the country. It is seen, however, that it was necessary to export considerable gold to meet the payment. The question arises, How was it, with a foreign balance which is said to be so ample, that the payment could not have been made entirely with foreign exchange? That matters do not fall out now-a-days as the usual rules for estimating the effects of international trade would appear to indicate, must be due to practices in international business which as yet do not appear to be well understood by financial writers. It is highly probable that there is less distinction between the methods of foreign and domestic trade than there formerly was. Settlements do not appear to be so quickly or so rigidly exacted as they once were. Capitalists all over the world are becoming more cosmopolitan. There is a diminution of the national spirit that looks upon an adventure in a foreign country as something of which the profits must be realized and brought home as quickly as possible lest they be lost forever. Settlements of foreign balances are not, apparently, made all at once; they are concluded by degrees in a round-about way, so that is is very difficult to say when the profits of any period are brought home or the losses of any period sent to creditors. It is evident that under modern methods of international finance the citizens of the United States may find it to their interest to leave their capital abroad where it may bring a greater profit than

could be had by drawing exchange against it. Rather than disturb a good investment, it may be the better course to ship gold especially when the stock of gold is abundant and the rate for money cheap. The money markets of the world are brought so close to each other that it is easy to conceal transactions by transfers from one to the other for long periods of time. In fact, information as to the banking operations carried on between one country and another is so imperfect that it is no longer easy to tell when any part of a balance due will be paid in gold.

THE PLEDGING OF CUSTOMS REVENUES or other specific collateral as security for loans is no new thing. Either directly or indirectly the revenues of a nation are invariably pledged as security whether mentioned in the bond or not. The fact is tacitly understood that a nation making a loan intends to raise and set aside a portion of its revenue for the express purpose of paying the interest and principal of the debt when it becomes due.

When national loans were first made it was customary to set aside certain specified revenues. As the good faith of nations was established by the regular meeting of engagements the specific security fell more and more into the background and was not mentioned, being understood as it were by all those who loaned money to governments. Early government loans were generally held by the citizens of the country borrowing. It is only within the last century that government loans have become cosmopolitan. Capitalists, whatever their citizenship, now lend to any country which proposes suitable terms. From this business of loaning to governments has developed the collection of foreign debts where a government protects and enforces the payment of loans made by its citizens to other governments. This collection business has not yet been reduced to a principle of international law. A strong nation can force a weaker nation into paying, but there is danger even in such a course that the embroilments which may ensue will prove far more costly than the amount of the debt at issue.

It is evident that the credit of nations really depends upon their good faith, and it is also evident that good faith in the payment of debts is the general rule. At any rate, whatever specific engagements a nation may enter into, even if it pledges revenues of certain kinds, the creditor still has the good faith as his only security. Without it all other pledges, short of pawning produce or property that can be carried away, may go for nothing. To take a pledge of special revenues as in the case of the recent Japanese loan amounts to no more than asking for information as to the source from which the borrower

expects to derive the funds to pay principal and interest. In the case of China, where revenues were pledged for loans, the administration of the revenue was placed in the hands of agents acting in the interest of the creditors, but even the adherence to such an agreement can only be assured where a policy of good faith is intended. In the case of Japan, while pledging certain revenues for security, the administration of such revenues continues to be in the hands of the Japanese. If they did not intend to exercise good faith, the mere promise to set aside certain revenues could be easily evaded. A creditor has very little redress for repudiation on the part of a nation powerful enough to resist attacks from the outside, and Japan has shown that it would not be easy to compel her to pay at the sword's point. The pledge of specific revenues is usually made as security for loans by nations of second-rate credit, and this perhaps is the galling feature to Japanese pride. But the verdict of the financial world cannot be appealed from; nations as well as individuals when they have need of money must bow to the terms of the lender.

This requirement in the case of Japan does not necessarily prove that her credit is second rate, as it might be with some country that had failed in paying interest promptly. Japan has never had much occasion to seek foreign loans, and perhaps it is because her credit has not been tried that financiers have been more cautious than they would otherwise have been. Japan has hitherto been able to borrow from her own people, and could probably do so in the present instance, but as the money was to be expended abroad, a domestic loan would have tended to greatly weaken the gold reserves of the country and endanger the paper currency, which is the great medium of circulation.

THE LEGAL-TENDER NOTES are not cancelled when once redeemed, and this is thought by many to be the one weak spot in the position of the Treasury. During a period of great prosperity this weakness is not noted or manifested. The Treasury has of course the resource of replenishing its gold reserve by the sale of bonds, but why should the debt be increased every time this weakness is shown just to cultivate and maintain that weakness? According to the Gresham law, whenever the necessity arises to draw gold from the Treasury the legal tender will be used in preference to the gold certificate, the partially-secured note in preference to the one fully secured. The recent gold exportations probably did no more than to prove that this tendency exists. It will take more than this to induce Congress to provide for the final retirement and cancellation of the legal-tender note. Nevertheless it would be a great advantage to the financial

position of the Treasury if the legal-tender notes could be retired and replaced with gold certificates. Very likely if a provision for their cancellation when once redeemed was approved by Congress, the whole of them would be converted into gold certificates within a reasonable time with no shock either sentimental or financial to the business public. The traditional greenback of the legal-tender note could be transferred to the gold certificates and only experts would be aware that the money of the Civil War had at length gone out of existence.

But even this tribute to the legal-tender note is unnecessary. The minds of the general public are far removed from the contemplation of that struggle, and there are still enough more appropriate mementoes of it, to render it unnecessary to perpetuate a form of money unsound in principle simply because it served a purpose when the country was driven to it by the necessity of wartime.

THE TRUST COMPANIES OF NEW YORK have nearly all ceased to use the clearing-house facilities as a result of the rule of the New York Clearing-House to compel the trust companies to keep on hand larger cash reserves. It is said that the companies which have withdrawn have greatly increased their cash reserves, and this would indicate that it was not so much the holding of the reserves which was objected to by them, as the attitude of surveillance and dictation assumed by the banks. The banks have felt the competition of the trust companies ever since the latter have been in the field. With lighter taxation and no restrictions as to reserve, the trust companies were able to offer inducements which drew away a very large line of funds that would otherwise be deposited with the banks. But the greatest cause of the banks' complaint, at least ostensibly, was that the trust companies, keeping no great amount of reserve themselves, were obliged to lean upon the reserves of the banks in an emergency and thus withdraw large sums at the most difficult periods.

Whether this separation of the trust companies from the present clearing-house will result in the formation of a separate clearing-house for their own use, remains to be seen. Perhaps the pressure brought to bear by the banks will lead most of the trust companies to confine themselves to such banking business as necessarily grows out of their proper trust business. It is probably a fact that when trust companies are first organized they employ their capital in greater competition with the banks than they do afterwards as the trust business grows. The companies, varying as they do in the degree in which they undertake banking business at various stages of their career, may not find special clearing-house facilities of enough importance to require the establishment of a clearing-house of their own. It fact, it is rather

difficult to see why some of the trust companies need to belong to a clearing-house at all unless they avoid the expense of collecting checks on out-of-town banks.

THE PROPOSITION TO ESTABLISH an international bank, under Japanese auspices, in San Francisco, which has been rumored as of possible realization, may or may not be acted upon. The large amounts which it seems necessary for Japan to remit, either directly to the United States or through the United States to other countries for the purchase of material of different kinds, would render the establishment of such an institution a great convenience and source of profit to the Japanese. San Francisco is the safest port to which Japan can at present transfer funds. In fact, it might be difficult to do so in any other way. To send gold or produce through the Suez Canal in her own vessels would expose them to great danger of capture. To send it in neutral vessels would no doubt increase the expense. San Francisco is not open to the same objections. The establishment of an institution in San Francisco, in their own interests whether with Japanese or American capital, would be a financial expedient that cannot fail to commend itself for the audacity of the conception.

How the banks now doing business in San Francisco would regard the proposition, is another question. They now enjoy a monopoly of handling this business and they would probably be extremely averse to permitting such competition. Probably the proposition has been made somewhat as a threat to compel the local banks to be reasonable in their charges and to prevent them from taking too great advantage of the necessities of the Japanese.

Under our present laws there seems to be nothing to prevent any capitalist, domestic or foreign, from establishing an institution, capitalized to any extent desirable, to carry on international transactions. The growth of the great private banking firms of both the eastern and western coast shows that this important business, which has attained so enormous a volume within the last twenty-five years, and which is likely to make greater advances than any other form of banking within the next decade, can take care of itself without any direct legislative control. The Government in its foreign financial transactions has been compelled again and again to use the excellent facilities provided by the great international banking firms. In fact, it may be assumed without much danger of error, that many of these firms were established primarily with a view of doing business for the Government, and have attained a great part of their importance by the skilful way in which they have monopolized this business.

From time to time the advantages of a great international bank chartered by Congress and under obligations to grant facilities to the Government in return for the sure profits of handling loans and making foreign payments, have been more or less accurately perceived. Several propositions have been made for securing from Congress a charter for such an institution, and bills for the purpose have been introduced. It has not, however, been difficult for those who now enjoy a monopoly of this business to defeat the attempts made to charter an international bank. There is in favor of the opposition to such a bank the prejudice which exists against a great central bank having affiliations with the Government, that arose in the great contest between the JACKSON Administration and the Bank of the United States. The average citizen looks upon such an institution as virtually tabooed.

While there is no doubt that a bank could be organized under a Government charter that would in no way compete with the banks carrying on domestic business, but could be restricted to international transactions, it is easy to make the general public believe that however restricted such an institution would tend to grow into a power as great as that alleged to have been exercised by the Bank of the United States. Not only can the opposition of the general public be easily aroused, but that of all the banks and bankers in the country.

Whether the international business which is now carried on by a large number of banks and banking firms could be done better and more cheaply for the Government, and more advantageously for the general business public, may be a question. Left as it now is to private enterprise and competition, there have been some indications of reckless and improvident management, and exploitations of capital that have resulted in loss to the country as a whole. Whether the balance of profit earned by the country as the result of its foreign trade and commerce could be more thriftily managed, if there was at the head of the financial institutions a bank in some measure responsible to the Government, possessing sufficient capital and resources to command respect and take a stand in guiding public opinion, may perhaps be a question.

The American business world is impatient of even the semblance of control, and for fear of being driven often suffers itself to be led blindly by the nose. It seems more assured, however, that the Government might conduct such financial operations as it finds necessary with foreign nations and with its own outlying possessions if there was an international bank of which as the creator it might be in a position to control the policy. Perhaps the time has already gone by for the Government to create such an institution, in the sense that the business is in the hands of capitalists who have so long had the

exclusive control of the international and foreign business that they perhaps look upon themselves as having vested rights in it, and can render any effort to supplant them futile. The business is, however, likely to become so much greater with the enlargement of foreign trade before and especially after the completion of the Panama Canal, that attempts will be made by other capitalists to secure a share of it.

This proposition on behalf of the Japanese to establish an international bank in San Francisco shows that there are those who regard an attempt to break in as feasible. The starting of an international bank in the management of which the Government will have some voice will grow more difficult as time passes. It is characteristic that great conservative steps are seldom taken in the United States until the necessity of them is pressed home on the public mind by some political climax or by some startling calamity. To evolve combination and order out of a mass of struggling competing capitalists is a great task. In those instances where it has been effected by private enterprise the expense has usually been very great and the feelings of hostility aroused between different classes of business men most bitter. Where the results have been satisfactory, the criticism of methods employed to produce such results prejudices the public against them. A degree of public control much short of socialism might have alleviated to a great extent the prejudices now aroused against trusts.

R. H. Inglis Palgrave, vice-president of the British Institute of Bankers, in a recent address before that body took the ground that Great Britain having enjoyed many years of prosperity during which wealth has increased, now seems to be going back, for several reasons. The deposits in the Postal Savings banks have fallen off during the last seven or eight years. During the last year there has been a reduction in the deposits of all the banks of the United Kingdom of over $19,000,000; that Great Britain is exporting more raw material; that exports of manufactured goods are declining, while imports of manufactured goods are increasing, and imports of raw materials are less. Also, the number of workers in proportion to the population is less than formerly.

All this seems to make out a strong case for Mr. Palgrave's contention, and yet it may be but a temporary condition, for which the great exertions of the nation during the Boer War and the great industrial competition of other countries are responsible.

Great ritain at one time held almost a monopoly of supplying the world at large with manufactured articles. It is only within the last quarter of a century that the industrial operations of Germany, France and the United States came into serious competition with

those of Great Britain. Every nation goes through periods of industrial depression, and when these occur the deposits in Savings and other banks are sure to be reduced. Great Britain herself need not take the despondent statistics of Mr. PALGRAVE too much to heart. The view given by him is undoubtedly one which will prevent any excess of self-satisfaction, and in this respect it will probably bring about a spirit of inquiry as to the best direction in which to start new efforts. The competitors of Great Britain need not congratulate themselves prematurely that the nation which is their chief rival is hastening to an inevitable decay. Nations have great recuperative powers, and the condition of Great Britain, while worthy of careful study, is not such as to put much of a strain on recuperative strength of ordinary character. The signs which Mr. PALGRAVE has observed may be the results of conditions which, even now, have passed away, and the next few years may tell an entirely different story.

MONEY IN CIRCULATION in the United States showed a contraction of over \$23,000,000 during the month of June. The largest reduction was in gold coin and gold certificates, as might have been expected from the demand for gold for export. The reduction in gold coin was about \$11,000,000, and in gold certificates \$12,000,000. There was also a decrease of \$2,400,000 in legal-tender notes. It is evident that to draw gold for export from the Treasury gold certificates were chiefly used—but as all forms of paper money in circulation, except National bank notes, have diminished, it is probable that they were all used more or less in procuring gold for export. National bank notes increased over \$7,000,000 during the month and to that extent made good the contraction. The gold coin and bullion in the Treasury were reduced over \$27,000,000. There has been a reduction of about \$38,000,000 in the total amount of gold in the United States between May 1 and June 1.

The effect of the payments on account of the purchase of the Panama Canal and the St. Louis Fair was most clearly shown in the decrease of the Treasury cash of about \$58,000,000. Of the gold sent abroad about \$11,000,000 appears to have been taken from the banks. The payment to France on account of the canal was an exceptionally large amount to be taken from the gold supply of one country and acquired by another, without any immediate return to the country making the payment. Large sums in gold have been sent out of the United States before, but they have usually represented payment for valuable imports received in exchange. The conditions in the money market have been favorable for the payment and it has been made without any serious difficulty.

The Savings banks and other institutions paying interest on deposits were complaining only a short time since of the difficulty they encountered in securing returns on their investments so as to be able to pay depositors over three per cent. The returns on Government bonds and other high-class securities had been so reduced that the Savings banks had great difficulty in keeping up their usual income. There were many speculations made as to the reduction of the interest rate and as to what might be the lowest limit if the reductions should continue. There has, however, been a change and the Savings banks are finding themselves able to return to a four per cent. rate on deposits. This may show that with less demand for securities the prices fall and the amount realized in interest is greater; but there is no doubt that the great increase in municipal securities issued by counties, cities and towns for purposes of improvement has had its effect in strengthening the general and steady demand for money upon which the average rate of interest must depend. The lessening demand for Government securities, which although gilt-edged as to credit, bear a low interest rate, and the higher interest rates which Japan and Russia had to pay for recent loans, show that the public have learned that it is possible to obtain investments sufficiently secure which afford an income much better than Government bonds.

No doubt there is much choice among municipal securities, and they range from the bonds of great cities to those of comparatively small towns. When the number of municipalities of various kinds in the United States is taken into account, the possible extent to which this form of investment may mount up shows such an unlimited demand for capital for many years to come that may well inspire confidence as to the continued strength of the average interest rate.

The advantage of municipal securities considered as a whole consists in their being so well distributed as to the basis on which they rest. A nation as a whole may meet with difficulties arising from war, or other calamity, and its bonds may become less secure in consequence, or it may become so high in credit that its securities are in such demand as to bring little profit to the ordinary investor, making them desirable only to the class of capitalists who use them as a temporary investment where their money will be secure, in the intervals when it is not employed in enterprises bearing larger returns. The investor who looks to income solely, who desires freedom from anxiety and a steady interest rate, does not care to hold Government bonds, which especially in the United States are so competed for, for special purposes, that the realized rate, if the bonds are held purely for the interest paid, is at all times almost nominal.

Municipal bonds give a wide choice in the rate of interest. The investor for income can take almost any degree of risk he wishes to,

and can obtain the largest possible income from a given capital by a wise selection of municipal bonds. It must be remembered that the municipalities of the United States are most of them well established and prosperous and almost sure to become richer and more prosperous with the growth of the country as a whole. The investor by purchasing the securities of a county or town just struggling into prominence, may obtain an interest rate which gives a good income, and in most cases he is also sure to obtain an increment in his principal by reason of the improvement in the credit of that particular municipality.

To investors for income on a large scale, such as Savings banks and trust comparies, municipal securities offer many advantages. The risks that can be taken can be averaged. But since the methods of issuing these securities have been scrutinized from a legal standpoint, and the proportion issues of any municipality shall bear to its population and wealth carefully fixed by State law, and provisions made for the sanctioning of such issues by the vote of the inhabitants, there is in fact very little risk taken. The only contingency that might cause a fall in value of municipal securities is a general and permanent decline in the prosperity of the whole country.

This legitimate opening for the investment of the surplus wealth of the country is likely to continue available for some time to come. If the doctrine of municipal ownership of many of the public enterprises now furnished by private enterprise should make progress, there would seem to be hardly any limit to which the safe issue of municipal securities might not extend. Very often a higher rate of interest indicates a greater risk, but the fact that municipal securities pay a higher rate than other first-class securities does not seem to be due to this cause. It is the competition for money caused by the free borrowing of municipalities that makes the rate of interest on their securities more profitable to the investor; a plain instance of the working of the law of supply and demand. As railroad securities formed the chief form of investment during the last half of the nineteenth century in the United States, so to-day municipal securities now occupy a similar position. The losses and disappointments which often came to those who invested their money in railway stocks and bonds are not so likely to be experienced in the case of municipal securities. The nature of the basis of investment is entirely different. Even losses by municipal corruption and misgovernment do not injure the investor to the degree experience has proved the holders of railway stocks and bonds may be injured by the manipulations of railroad wreckers.

A municipality in a prosperous country has a vitality that cannot be easily wrecked.

THE INCREASE IN NATIONAL BANK CIRCULATION.

The withdrawal of the funds of the Government deposited with the National banks released the security deposited by the banks and placed it at their disposal. This security consisted chiefly of United States bonds, but partly of the State and municipal bonds which were accepted by Secretary Shaw. The bonds released would naturally come upon the market, but the bonds of the United States could be used as a basis of bank-note circulation. The continual increase in the volume of bank notes indicates that most of the banks depositing United States bonds as security for public moneys have on the withdrawal of the Government money simply transferred their security from one account to another. The United States bonds previously held by the Treasurer for public moneys are now used as a basis for increase of circulation. The gold lost by exportation has been made up in the general circulation by increased issues of bank notes. The bank note issues have increased about $40,000,000 during the past year. Of this increase $22,000,000 has been since January 1 of the present year. There is every reason to believe that this increase will continue as fast as the banks can procure bonds. The limit will be the amount of interest-bearing United States bonds outstanding.

It is evident that since the law of 1900 increasing the per cent. of circulation and reducing the tax on circulation secured by the two per cent. bonds, the banks throughout the country find a profit in issuing circulation. The rate of interest returned to the ordinary investor on United States bonds is so low at the present market rates that they would be a very unprofitable investment if it were not for their availability as security for bank circulation. The larger part of the bonds are either owned or used by the banks, as security for circulating notes or for public moneys. The individual holder finds his profit in lending his bonds to the banks.

The two per cent. bonds authorized to be issued for the construction of the Panama Canal by some oversight were not placed on the same footing, as regards their use as security for circulation, with the ordinary two per cents. The circulation based on the latter is taxed one-half of one per cent. per annum, while that based on all other classes of United States bonds is taxed one per cent. per annum. The Panama bonds would, without a special exemption provision, be subject to the one per cent. tax.

The comparative elasticity enjoyed by National bank notes, since the issue of two per cent. bonds, may be ascribed to the fact that the premium has not risen so high as was the case with previous issues of bonds bearing higher rates of interest. If the Government issues could be so adjusted as to prevent their market price rising above par, in fact keeping that price within one or two per cent. either above or below par, they would impart still greater elasticity to the bank notes which they secure.

Notwithstanding the increase of bank notes at the present time, it is impossible to believe that this increase can continue to meet the wants of the country permanently. As long as the United States pursues the policy of paying its debt as rapidly as possible, there is danger that the banks may find themselves obliged to reduce their circulating notes, and at the same time

find it impossible to obtain new bonds as a basis for new notes. Just now, with the Panama bond issues in sight, the prospect for further increases of bank notes seems favorable. It is also possible that new occasions for increasing the bonded debt may arise from time to time. In 1890 no one could have believed that during the next decade there would be the extensive increases in the public debt, first for maintaining the gold reserve and then for the Spanish War. These examples indicate that no one can positively affirm such a continuous reduction of the public debt as will deprive the banking system of its basis of circulation.

The good effect upon the national credit of using the bonds for banking purposes is of great importance to the country. In the event of some great struggle in which the United States may become involved, the National banking system would be in a position to render the service which it might have rendered in the Civil War, had it been placed in working order early enough in that struggle. It would never be necessary for the Treasury to issue legal-tender notes or to suspend specie payments as it did in 1861, with the National banking system standing ready to take United States bonds and issue notes upon them. The value of the practice of banking on the public debt to which the people of the United States are now habituated in sustaining the credit of a nation at critical times can be appreciated, when the credit of United States bonds during the Spanish War is compared with that of British consols during the Boer War. While there may be disadvantages in the use of a currency like that issued by the National banks at times, arising from the want of elasticity, yet these are counter-balanced to a considerable extent by the superior credit the system gives to the Government. It is probable that this consideration has and will continue to cause Congress to hesitate about changing the present system for a circulating note based on the banks' general credit. As for the alleged chief defect of the present system, that the notes diminish as the bonded debt is paid off, it might be greatly obviated by increasing the percentage as the bond premium rose. The effect would doubtless be to encourage very high premiums at certain times. As the Government paid off its debt premiums would increase in proportion to the demand for circulation, and the increased premiums would enable the demand for circulation to be supplied. When the circumstances again require the Government to put out new bond issues, the percentage of circulating notes might be reduced so that a broader bond basis would be required. It is believed that half the criticism of the present National bank-note system would be met by a development of the bond security principle on lines strictly in conformity thereto.

It has been the dream of idealists that some day this great country would be again able to celebrate the complete liquidation of its indebtedness. It is true that something of this kind did happen in 1834–35. But the condition of complete freedom from the demands of creditors did not long continue. The history of all modern nations shows that circumstances continually and unexpectedly increase public debts. In our own country it is very unlikely that we can be exempt from such contingencies long enough to take away the entire basis of bank-note issues. Rather than abolish the system, it should be so developed that it may accommodate its issues both to the existing bond basis and to the wants of business. In times of peace and prosperity when gold naturally accumulates, the decrease of the national debt can go on without inconvenience although there is some reduction of bank notes. When these conditions change, when revenues become deficient and the balance of trade causes gold to leave the country, then with an increase of the debt the volume of bank notes increases.

BANK RESERVES.

The movement in New York to induce the trust companies to keep on hand larger cash reserves has resulted in a discussion of the whole reserve question. It may have been observed that when times are prosperous and the demand for money active then it is that the greatest anxiety is developed about the reserves. On the contrary, when there begins a cessation of activity when business becomes dull, the reserves promptly increase. Where, then, is the danger point and which banks are most apt to suffer from the want of a sufficient reserve? When business is active and the reserves are largely drawn upon, general confidence prevails, and it is very unusual for the public to become alarmed at the condition of the banks or to dread that they will be unable to meet their engagements. After a crisis the public appear to regain confidence in the banks first of all, as is indicated by the return of cash to them and the long period of cheap money that often follows.

The question of the limit of a safe reserve is one that has been very thoroughly canvassed and the general assent of authorities in this country has been given to one of from ten to twenty-five per cent., according as a bank is to a greater or less extent a depository of other banks. But whether this limit is founded on a scientific basis is doubtful. It has been arrived at chiefly from the impulse given by the National Banking Law. The men who drafted that law in 1862 and 1863 had no doubt considerable experience in banking as it had been carried on previous to the Civil War in the United States. They also had before them a large number of laws which had been enacted by State Legislatures to regulate banking within the several States. They no doubt exhibited great wisdom in selecting and adopting the wisest provisions of the precedents in their hands, as to the general methods of carrying on a banking business safely for the stockholders and the public. But it must be remembered that the banking which furnished these precedents was of a very different character from the banking of to-day. All of the State banks previous to the Civil War exercised with more or less freedom the function of issuing promissory notes to serve as money. Indeed the statistics of that period show that note issues were their chief and most profitable function especially in the territory away from the commercial centres. There is also no doubt that those who designed the plan for the National banking system intended to subordinate everything else to its capacity for furnishing a safe and homogeneous bank currency to supplement and finally to take the place of the existing State bank issues. They may be excused for failing to perceive how the plan they adopted would work in practice.

It is plain from the provisions for the redemption of notes inserted in the acts of 1863 and 1864 that they expected some degree of elasticity in the circulation of the notes, and they made ample provision for this in the reserves which the banks were required to keep to insure the prompt redemption of the notes at the banks' counters and by their selected agents. The deposit business of the banks was of comparatively lesser importance, as might be

inferred from the lack of any definition of what constituted insolvency. except as it was shown by a failure to redeem notes.

The framers of these early statutes may be excused for thinking that the National banks would guard their depositors much as the State bankers had previously done by using their own notes to pay demands for deposits. If the notes were always met there would be no trouble about the deposits.

The lack of elasticity of the National bank note was early seen. It is referred to in the first reports that appeared from the office of the Comptroller of the Currency. The notes did not after their issue return to the issuing banks or in any large quantities to the redemption agencies. In fact, the reserves on notes were hardly used at all. At first the lack of elasticity was ascribed to the fact that the bank note was redeemable in legal-tender notes, which were practically no better in any respect than the bank notes, in fact rather less secure. No one, it was argued, would interest himself to exchange one good note for another no better. It was said that when specie payments were resumed there would be a more rapid circulation of bank notes. Moreover the various limits on the proportion of circulation a bank might issue tended to restrict issues, even when bonds could be procured easily. It took a decade for Congress to recognize the fact that the banks were being compelled to hold a reserve on circulation far in excess of any practical necessity, and also to discover that as bonds were the basis of the notes, if the latter were to have more mobility, some liberty in the handling of their bonds must be given. The act of 1874 was passed, which reduced the reserve on circulation to five per cent., which was set apart from the reserves required on deposits. In reality reserves on deposits were reduced by this act to the extent of five per cent. on the circulation issued.

At the time the act of 1874 was under consideration the objections usual when any legislation amending the banking law is proposed were heard about weakening the banks, lessening the security of depositors and granting undue favors to corporations at the expense of the public. But no one of the dangers anticipated materialized. The rapid reduction of the debt and the advancing premium on bonds, together with the competition of silver certificates, rapidly destroyed the importance of the National bank note and until the past few years, or since the act of 1900, it has been of very little profit to the banks.

This sketch of the position of the National bank note in the banking system shows that in fixing the reserves on deposits as they did from six per cent. cash reserve to be kept on hand in the case of country banks to twenty-five per cent. in the case of central reserve cities, the framers of the act believed or expected that there would be free returns of redeemed notes to the banks greater in case of country than city banks and that they would keep their notes in circulation by using them to meet deposit demands. That is, the banks would constantly have a supply of till money from the return of their redeemed notes.

Under the best State systems prior to the Civil War, the notes of the country banks were gathered up at the centres and sent rapidly back to the banks that issued them. The National system was undoubtedly expected to duplicate these conditions.

In blindly regarding the reserves fixed by the National Banking Law, under circumstances that led to calculations that later experience has shown

to have been wrong, as something wise and immutable, there is both the strength and the weakness of traditional habit. That these reserves fixed under such theories by those who framed the National Banking Law have proved satisfactory in some respects cannot be denied. This fact only indicates that the reserves were fixed much higher in the law than they practically stand at to-day.

From 1864 to 1874 the banks in the central reserve cities carried twenty-five per cent. cash reserve on deposits plus twenty-five per cent. cash reserve on circulation, only five per cent. of which is kept with the Treasurer now, was really necessary, plus, as the framers of the act anticipated, whatever of the banks' own notes would be constantly in their tills. The banks outside the reserve cities carried six per cent. cash reserve on deposits, and six per cent. cash on circulation, none of it necessary for circulation, plus the expected stream of redeemed notes. These banks now are required to keep on hand only twenty-five per cent. and six per cent. respectively. The same rule applies also to the intermediate reserve cities. They at first held 12½ per cent. cash reserves on deposits and the same per cent. on circulation, plus till money as before. In all these cases the additional cash reserve on circulation really strengthened the cash reserve on deposits. The reserves as at first fixed by the framers of the act were, therefore, at least double what they have been since the act of 1874 in their relation to the protection of deposits. If the framers of the original banking act thought so much protection necessary, how is it that their calculations have in practice been disregarded with safety? The fact is that if they had been right in their expectation that the notes of the National banks would be redeemed and sent back to the issuing banks in the same manner as under the State bank systems, and if the circulating system had in other respects proved satisfactory, the banks of the country would undoubtedly have been stronger to meet emergencies. But that, as a rule, they have borne up with so much success with lesser reserves, is due to the additional protection they have thrown around themselves by the use of checks. The framers of the National Banking Act had no idea of any but a local use of checks. The check now to a very great extent supplies the place of the till money which it was believed the redeemed bank notes would furnish.

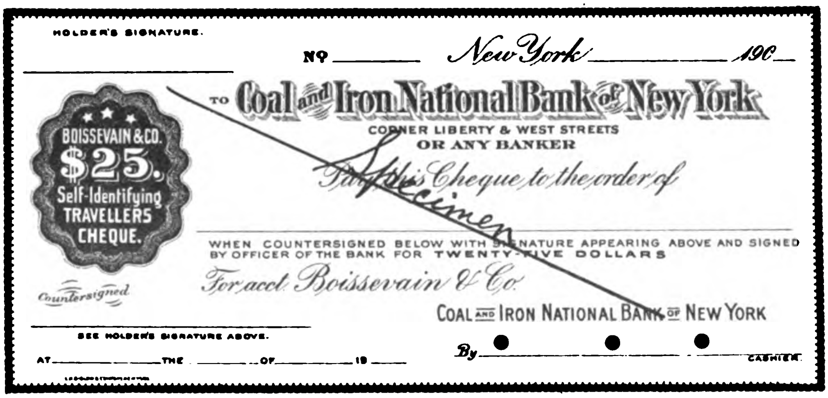
When it is considered how little effect any ordinary reserve has in stopping a run on a bank, when from founded or unfounded suspicions of weakness or mismanagement a run occurs, it may be concluded that the effect of reserves fixed at certain limits is moral rather than physical. For instance, if the limit had been originally fixed by law at ten per cent. instead of twenty-five, it may be surmised that alarm at trenching on the limit would not be felt as now at twenty-five, but only when reserves were reduced below ten per cent.

The cash reserves of the joint stock banks of Great Britain are customarily much below the legal reserves here. The history of the subject in the United States shows that in 1874 reserves of the National banks were reduced about one-half without exciting any distrust of the banks. It was done in a way that did not attract attention. If the reserve requirements could be decreased in a similar manner without attracting attention, the banks would probably be as safe as ever, provided the new limit was not trenched upon. On the other hand, were the reserves increased, they would

afford no greater protection in crises where there was a general distrust of banks, and every depositor at once wanted to have his money in his own custody.

It is the very nature of banking that universal distrust, however unfounded and foolish, will block its machinery. There is little doubt, however, that the greater facilities now afforded by safe-deposit vaults, enabling individuals safely to keep cash virtually within their own grasp, tends to make it necessary for banks to keep larger reserves than if these facilities did not exist. In times of distrust the scarcity of cash in the banks of the money centers and elsewhere is aggravated by the action of depositors who use the safe-deposit vaults with a view of individually taking advantage of the higher prices of money. The effort to make trust companies hold greater reserves of their own may possibly have a good effect in lessening the pressure on the banks, and perhaps in some measure affording a supplementary reserve on which the banks may rely when too great pressure is brought on their own. But, on the whole, it is probable that mutual support and common defensive action at times when the public distrust reduces the cash reserves is a better remedy than any increase of the reserve limit.

A Self-Identifying Travellers' Check.—It is well known that travellers frequently experience difficulty in getting checks cashed, owing to their inability to furnish satisfactory identification. It is claimed that the form of check shown here-



with is self-identifying, as the owner's signature is placed on the check at the time of its issue and again when cashed. If the checks are lost, the amount will be refunded, and unused checks are redeemed at their face value.

The specimen check shown above was furnished the Magazine through the courtesy of Messrs. Boissevain & Co., 15 Wall street, New York.

NOTICES OF NEW BOOKS.

The Earning Power of Railroads; with tables showing facts as to earnings, capitalization, mileage, etc., of one hundred and twelve railroads in the United States and Canada. By Floyd W. Mundy. New York: Metropolitan Advertising Co.

An interesting feature of this book is the analysis of the elements that determine the earning capacity of railways, and the statistics embrace not only the latest available figures, but are rendered more valuable by comparative statements of earnings, etc., for a series of years.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

LETTER OF CREDIT—LIABILITY OF BANK TO PERSONS CASHING CHECKS ON FAITH THEREOF.

Court of Appeals at Kansas City, Mo., February 15, 1904.

BANK OF SENECA vs. FIRST NATIONAL BANK OF CARTHAGE.

No one has a claim against a bank by reason of a letter of credit issued by it unless he knew of its existence and advanced his money on the faith of it.

Where one furnishes another money without knowledge that such other has a letter of credit, he is a stranger to the letter, and cannot set it up as the basis of a claim against the bank issuing the letter.

The defendant bank issued a letter of credit whereby it promised to pay checks to the amount of $1,000 drawn by H, and which letter contained the direction "any checks paid indorse on back of this letter." H drew ten checks aggregating $500.25, which were cashed by the plaintiff and indorsed on the back of the letter. He then drew other checks which were negotiated to another bank, without exhibiting the letter, and these, with the $500.25 previously drawn, made a total of $890.05, all of which were paid by the defendant. He then drew and negotiated to the plaintiff three checks aggregating $499.75, which were separately indorsed on the back of the letter. *Held*, that the defendant was liable for the amount of such last three checks, notwithstanding it had paid the checks negotiated to the other bank.

ELLISON, *J.:* The defendant bank issued to H. G. Tangner, and delivered to his agent, George W. Hawk, the following letter of credit:

"Letter of Credit. First National Bank. Capital stock, $100,000. Carthage, Mo., July 8, 1901. To whom it may concern: We will pay checks signed H. G. Tangner by the bearer, Geo. W. Hawk, to the amount of One Thousand Dollars; any checks paid indorse on back of this letter. Mr. Hawk's signature is below. V. A. WALLACE, *Vice-Pres.*
GEO. W. HAWK."

Said letter was indorsed on the back as follows:

7-17.	10 checks	$500.25	
7-25.	1 check, J. G. Johnson	235.00,	Seneca, Mo.
7-25.	1 check, J. D. Gallemore	240.00	" "
7-25	1 check, G. W. Hawk	24.75	" "
		$1,000.00	

Hawk was engaged in going over the country buying mules for Tangner, and he was given the letter of credit to facilitate that business. After receiving the letter on July 8, he went into the adjoining county of Newton, and on July 17 he drew and negotiated ten checks, aggregating $500.25, which were duly indorsed on the back of the letter and paid by defendant. Then, on July 25, he presented the letter to the plaintiff bank, and, on the faith

thereof, plaintiff allowed him to draw and negotiate to it three checks on defendant—one for $235, one for $240, and one for $24.75, aggregating $499.75—being balance of the amount limited in the letter. These were separately indorsed on the back of the letter. The smallest of these was for expense money, and the other two were for mules purchased. The defendant bank refused payment of these checks on the ground that, before they were negotiated to plaintiff, Hawk had exhausted the sum limited in the letter by checks to other parties, which had been duly paid by defendant.

It appears that, before negotiating these checks, Hawk, leaving the letter behind, went into another county, and there bought mules, and on July 10 and 13 negotiated checks to a bank at Pineville, in that county, aggregating $389.80. These checks were negotiated to that bank without Hawk exhibiting the letter of credit, and with no knowledge on the part of that bank that there was a letter of credit. It was these last checks which defendant bank paid; and these, with the $500.25 which it had before paid, made a total payment of $890.05, and lacked $109.95 of being the amount named in the letter.

On these facts, the trial court took the view that the checks negotiated to the bank at Pineville and paid by defendant went to the discharge of the letter of credit, and rendered judgment for the plaintiff for its smallest check, of $24.75. The reason, as we gather it, for rendering judgment for only $24.75, when the letter, after allowing for the checks at Pineville, lacked $109.95 of being exhausted, was that that sum would not pay either of the other of plaintiff's checks in full.

The parties have discussed at length the question whether a person who has advanced money on the faith of a letter of credit, the limit of which the holder had already exhausted by negotiations with others without that person's knowledge, can recover of the writer. Putting aside considerations of equity which sometimes arise, and, looking upon it as a legal question, there is strong authority for saying that he cannot (Ranger vs. Sargent, 36 Tex. 26; Roman vs. Serna, 40 Tex. 306) though we need not say; for any such question is excluded from this case by the facts preserved in the record. The letter, being addressed to "Whom It may Concern," and being intended for use with different persons at different times and at various places, was a general letter of credit; and it was what has been aptly termed a circulating promise to pay Tangner's checks, signed by Hawk, up to the amount of $1,000. But it is a fundamental rule governing this sort of commercial paper that no one has any claim, because of it, against the writer, unless he knew of its existence, and advanced his money on the faith of it. (McClung vs. Means, 4 Ohio. 196; Pollock vs. Helm, 54 Miss. 1; Grant vs. Naylor, 4 Cranch, 224; Sherwin vs. Brigham, 39 Ohio St. 137; Birckhead vs. Brown, 5 Hill, 643: Russell vs. Wiggin, 2 Story, 235–241, Fed. Cas. No. 12,165; Union Bank vs. Coster's Ex'rs, 3 N. Y. 203; Bleeker vs. Hyde, 3 McLean, 279, Fed. Cas. No. 1,537.) That the party making claim of reimbursement against the writer must show that he acted on the faith of the letter, is a requisite that appears in all writing upon this and kindred subjects. It so appears in adjudicated cases, and is accepted, as of course, by text writers. (See 2 Daniel on Neg. Inst. sections 1790–1798; Coolidge vs. Payson, 2 Wheat. 66; Schimmelpennick vs. Bayard, 1 Pet. 264; Boyce vs. Edwards, 4 Pet. 111.)

The liability of a writer of a letter of credit is founded on the simple law of contracts, where the minds of the parties must meet in the common pur-

pose. The act of the writer is an offer or request or proposition, and the act of him who furnishes the money is an acceptance. So it is understood that a general letter of credit is considered as addressed to whomsoever will act upon it, and, when acted upon, the contract is made up, upon which the writer may be held liable. Necessarily, where one furnishes another money without knowledge that such other has a letter of credit, he is a stranger to the letter; and, when he comes to set it up as the foundation upon which to recover against the writer, he should be regarded as an interloper, without a shadow of right.

By these remarks we aim to demonstrate that when the bank at Pineville, without sight or knowledge of the defendant's letter, paid Tangner's checks drawn on the defendant bank, that act necessarily was not based on the letter, and, in consequence, no contractual relation arose between it and the defendant bank. And when the defendant bank paid the checks to the Pineville bank, it was merely the consummation of an ordinary transaction, wholly disconnected and apart from the letter. The sum thus paid could not be applied towards extinguishing the amount named in the letter. The sum so paid only became a debt owing from Tangner to the defendant, and had no more to do with the letter than any other debt he might have owed to it. That the payment of the Pineville checks could have no connection with the letter is apparent by the suggestion that if the defendant bank had not paid those checks, and had asked that the Pineville bank and this plaintiff interplead for the money, which would have prevailed—the plaintiff, who relied upon the letter and complied with it, or the Pineville bank, who knew nothing of its existence? It can make no difference that the defendant may have thought and assumed that the Pineville checks were cashed by that bank on the faith of the letter it gave into Hawk's possession. If Hawk acted irregularly and without authority in dealing with the Pineville bank, such act ought not to be allowed to injure the plaintiff bank, where his act was regular and within authority. If Hawk's act must harm one of two innocent parties, it should fall on the one who put him in position to do the harm.

From these considerations, it follows that the defense wholly failed, and that plaintiff should have had judgment in the trial court for the whole sum it advanced. The judgment is therefore reversed, and the cause remanded, with directions to so enter it. All concur.

LOANS MADE BY BANK FOR CUSTOMER—DEGREE OF CARE REQUIRED.

Supreme Court of Illinois, February 17, 1904.

WATSON vs. FAGNER.

A banker who acts as agent for his depositor in making loans, though without compensation, is bound to exercise ordinary care and diligence.

In this case the declaration of the plaintiff after setting out that on June 1, 1900, the defendant was engaged in the banking business, and that plaintiff, at the request of defendant, deposited $5,000 with him, which defendant agreed to loan to safe, responsible and conservative borrowers, and to use due diligence in collecting the same, charged that the defendant so carelessly and negligently loaned said sum that the same was wholly lost to the plaintiff, etc.

The trial resulted in a verdict for $4,144.50 in favor of the plaintiff, Fag-

ner, and after a remittitur of $373.80 had been entered and a motion for a new trial overruled, judgment was entered against appellant, Watson, for $3,770.70. An appeal was taken by Watson to the Appellate Court for the Third District, where the judgment of the circuit court was affirmed, and a further appeal was prosecuted by Watson to the supreme court.

SCOTT, *J.* (omitting part of the opinion): Where a banker acts as agent or trustee for his depositor, without compensation, in investing his money and collecting the same, he is bound to exercise ordinary care and diligence in the performance of the duties which he assumes, and a failure to observe such ordinary care and diligence will make him responsible for any loss resulting from such failure. (Isham vs. Post, 141 N. Y. 100; Watson vs. Roth, 191 Ill. 382.)

In the cases of Gray vs. Merriam, 148 Ill. 179, and Preston vs. Prather, 137 U. S. 604, the question of the liability of a bank as the gratuitous bailee of securities left as a special deposit was considered, and the conclusion reached that the bank was bound to exercise ordinary care and diligence. The reasoning followed in those two cases requires the exercise of the same degree of care and diligence where the duties assumed are the loaning of money deposited with the bank and the collection of the loans as they mature.

NATIONAL BANKS—CONTRACTS WHICH ARE ULTRA VIRES.

Supreme Court of Vermont, Caledonia, February 27, 1904.

METROPOLITAN STOCK EXCHANGE vs. LYNDONVILLE NATIONAL BANK.

Where a National bank makes a contract which is beyond its powers, such contract is void, and not merely voidable.

This was an action of general and special assumpsit. Special counts—two in number—set out promises and undertakings on the part of the defendant regarding a transaction in respect to shares of the United States Rubber Company, and a breach of such promises and undertakings, resulting in damage to the plaintiff. The defendant filed pleas, the second of which was, in brief, to the effect that the supposed promises and undertakings set out in the declaration related solely to an alleged supposed purchase by the defendant from the plaintiff of such shares, and that at the time in question the defendant was a National bank, without power or authority to make such alleged purchase.

HASELTON, *J.* (omitting part of the opinion): The plea is good in form, and, whatever conflict of decisions there may have been formerly or may be now, we have no hesitation in saying that it is good in substance, and we so hold. (Concord National Bank vs. Hawkins, 174 U. S. 364; California Bank vs. Kennedy, 167 U. S. 362; McCormick vs. Market Bank, 165 U. S. 538; Central Transportation Company vs. Pullman's Car Company, 135 U. S. 24.)

Counsel for the defendant having in their brief referred to and quoted from Wiley vs. National Bank of Brattleboro, 47 Vt. 546, this court takes occasion to point out that that case and Whitney vs. National Bank of Brattleboro, 50 Vt. 389, are expressly disapproved by the Supreme Court of the United States in National Bank vs. Graham, 100 U. S. 699.

With regard to contracts which are *ultra vires*, in the strict sense, the sound doctrine is that they are wholly void, and not merely voidable; that the corporation is under a perpetual disability to make them; that, therefore,

there can be no ratification by the corporation; and that a corporation cannot be estopped from making the defense of *ultra vires* when it is sued for non-performance on its part. The denial of corporate existence, and the claim that a corporation has not proceeded in the way or through the officers designated by law, are defenses that stand on a different and much narrower ground than the defense of *ultra vires* in its full and proper sense. In some cases a corporation which has received the benefit of an *ultra vires* contract may be recovered from on a *quantum meruit*, without reference to the attempted contract. In some cases a corporation may be liable in an action of tort for acts connected with or growing out of an attempted *ultra vires* contract. In some cases directors or officers of a corporation may make themselves liable in an attempt to fix upon the corporation a liability with which it cannot, under the law be charged. It may be said, too, in passing, that directors of corporations do well to heed the right of the government which has created them to act properly and efficiently with reference to usurpations of power on the part of its creations.

WRONGFUL REFUSAL TO PAY CHECK—AMOUNT OF DAMAGES.

Court of Appeals of Kentucky, April 20, 1904.

AMERICAN NATIONAL BANK *vs.* MOREY.

In an action against a bank for damages because of its wrongful refusal to honor the check of a depositor, who was pursuing a course of study in a strange city, it appeared that she lost the confidence of her instructor, was delayed for two months in opening a shop for her art, and expended $2.86 in telegraphing to defendant in trying to induce it to honor her check, and to her relatives to obtain money to meet the dishonored check. *Held*, that a verdict for $500 was not excessive.

NUNN, *J.:* This is the second appeal in this case. The first opinion is reported in American Nat. Bank vs. Morey, 69 S. W. 759, 24 Ky. Law Rep. 658, and is referred to for a history of the facts relative thereto. In that opinion the court said that the instruction on punitive damages should not have been given; that she was only entitled to recover for the loss of credit, of business, or of instruction in her art that she sustained by reason of the dishonor of her check. On the return of the case to the lower court, the appellee filed an amended petition setting forth these matters of damage, as permitted by the former opinion. Another trial was had before a jury, and the court gave to the jury the following instruction: "It will be your duty in this case to find for the plaintiff in such sum as you may believe from the evidence will fairly and reasonably compensate her for any loss of credit she may have suffered, or for any loss of time or instruction which she otherwise would have enjoyed, and for any expense she may have incurred in telegraphing, by reason of the non-payment of the check mentioned in the petition." The evidence produced on the last trial, in substance, showed that by reason of the dishonor of the check she lost the confidence of her instructor, and was compelled to desist from further instruction for four weeks, which she had intended to take. It was her intention, after finishing her course of instruction, to open a shop for her business and art in the following December, but, by reason of the dishonor of this check, she was compelled to delay her opening until the following March. Also she expended $2.86 in telegraphing to appellant in trying to induce it to honor her check, and to her relatives in

Louisville to obtain money to meet this dishonored check. The jury returned a verdict on this last trial for $500 in favor of appellee, which the court refused to set aside, and rendered judgment thereon, and the appellant has appealed.

The last trial conformed in all respects to the former opinion of this court in this case. The only question to be determined is whether or not the amount of the verdict is excessive. She certainly was entitled to recover some damages. In the former opinion it is shown that a judgment for $300 for dishonoring was affirmed. (Patterson vs. Marine National Bank, 130 Pa. 419.) The court in that case charged the jury that the plaintiff was entitled to recover substantial damages, and in a certain state of case they might find punitive damages. In the same opinion the case of Schaffner vs. Ehrman, 139 Ill. 109, was referred to, where a judgment for $450 was affirmed, where the dishonor of the check was due to a mistake of the bookkeeper in charging the checks of another customer to the account of the plaintiff. In the former opinion in this case the court quoted from the above Pennsylvania case the following language: "Individual and corporate business could hardly exist for a day without banking facilities. At the same time, the business of the community would be at the mercy of banks if they could, at their pleasure, refuse to honor their depositors' checks, and then claim that such action was a mere breach of an ordinary contract, for which only nominal damages could be recovered, unless special damages were proven. There is something more than a breach of contract in such cases; there is a question of public policy involved; and a breach of the implied contract between the bank and its depositor entitles the latter to recover substantial damages."

While this verdict in a sense appears large, yet we are unwilling to invade the province of the jury, especially after a second trial, and determine the damages recovered are anything more than substantial. Wherefore the judgment of the lower court is affirmed, with damages.

COLLECTIONS—TITLE TO PAPER FORWARDED.

Supreme Court of Mississippi, March 21, 1904.

CONTINENTAL NATIONAL BANK OF MEMPHIS vs. FIRST NATIONAL BANK OF WEST POINT.

Where a bank forwards checks for collection under a general indorsement in blank, the title to such collection, as to third parties dealing without notice, and not being put upon inquiry, passes to the bank to which they are forwarded, and the initial bank becomes simply a general creditor of the bank to which the items are sent for collection.

Where the second bank sends such items under a like indorsement in blank to its correspondent for collection, the same relationship is established between them, and the bank finally making the collection has the right to apply the proceeds thereof in any manner that may be authorized by the mutual understanding and course of dealing previously existing between it and the bank from which the items were received.

The collecting bank is not required to make any inquiry to ascertain who, in point of fact, is the real owner of the proceeds of collection, where the items for collection are received under a general indorsement.

TRULY, *J.:* Appellant was the owner of eleven checks, aggregating $1,318.91, drawn prior to July 31, 1896, on appellee, by parties, all depositors with appellee, in amounts in excess of their checks. These checks were by appellant on said July 31 sent to the American National Bank of New Orleans, La., for collection and remittance, each check being indorsed, "Pay to the

order of any State or National bank." The American National Bank at the date of receipt of these checks was, and for some months prior thereto had been, to the knowledge of its own officers, but without the knowledge of appellant or appellee, utterly insolvent. On August 3 the American National Bank sent these checks to appellee, upon whom they were drawn, for collection and remittance. On August 5 they were collected by the appellee, and would have been remitted to the American National Bank, but at 3 P. M. on August 5 the American National Bank closed its doors, and passed into the hands of a Receiver, whereupon, the appellee hearing of such failure before making remittance to cover said collection, credited the proceeds thereof to the account, on its books, of the American National Bank. The appellee had no knowledge at that time that the checks were the property of appellant, and received same under the general indorsement as stated. The American National Bank had been for some time prior to its failure the New Orleans correspondent of appellee, and at the date of its failure was indebted to appellee in the sum of $20,000. Appellant sued for the amount of the checks in question, claiming that, as the American National Bank was at the date of its receipt of the checks utterly insolvent, therefore it had no right to receive such checks for deposit, and such action was fraudulent, and revoked its employment by appellant as agent; wherefore it is averred that appellee became the agent of appellant, and liable to account to it for the proceeds of the checks. On behalf of appellee it is contended that, as the checks were received under a general indorsement, it was entitled to consider them as the property of the American National Bank, and, having no information of any claim of appellant, had the right to dispose of the proceeds in accordance with the course of business dealings existing between appellee and its correspondent, the American National Bank.

The precise question here presented has never been passed upon or considered by this court, and the authorities and the courts of last resort of the various States are in hopeless conflict. After careful consideration and review of the legal principles applicable, our conclusion is: Where a bank forwards checks for collection under a general indorsement in blank, the title to such collection, as to third parties dealing without notice, and not being put upon inquiry, passes to the bank to which they are forwarded, and the initial bank becomes simply a general creditor of the bank to which the items are sent for collection. So where in turn the second bank sends such items under a like indorsement in blank to its correspondent for collection, the same relationship is established between them, and the bank finally making the collection has the right to apply the proceeds thereof in any manner that may be authorized by the mutual understanding and course of dealing previously existing between it and the bank from which the items were received. The collecting bank is not required to make any inquiry to ascertain who, in point of fact, is the real owner of the proceeds of the collection, where the items for collection are received under a general indorsement. It has the right to assume that the ownership is in the bank forwarding the item to it. (American Exchange National Bank vs. Theummler, 195 Ill. 90.) Any other rule would make it impossible for the bank making a collection to protect itself unless the remittance was in all cases made to the payee named in the check, and this would often be not in accordance with the real rights of the parties in interest. Where a bank collects checks received under a general

indorsement, and remits the proceeds to the bank from which the items were received, it has discharged its whole duty in the premises, and the initial bank must look to its correspondent for payment; and when, by the course of dealing or understanding, the bank making the collection has the right to apply the proceeds of such collection to the credit of the bank from which the items were received, and upon making the collection does make such application, this is likewise a full discharge of its duty, and the initial bank has no right to hold the collecting bank for the proceeds of the collection. The possession of the checks by the American National Bank under a blank endorsement was presumptive evidence of its ownership, and appellee, not being in any manner advised of appellant's claim, and not placed upon inquiry, had the right to consider the checks as the property of the American National Bank, and to dispose of the proceeds according to the course of dealing existing between them. The right of appellee to deal with the proceeds is not affected by the fact that the American National Bank had been for a long period insolvent. The collection was fully completed, the money actually received by appellee, and its rights thereby established and fixed, before such insolvency was disclosed. Nor is the controlling legal principle different because no advances was made by appellee on this particular collection. The American National Bank was the regular correspondent of appellee, keeping accounts and deposit balances with each other to draw against in the regular course of business. This collection was received in the usual and customary course of business, and in accordance with such custom was, before such failure, duly credited to their mutual running account. (Bank of Metropolis vs. New England Bank, 1 How. 234; Same vs. Same, 6 How. 212; Doppelt vs. National Bank, [Ill.] 51 N. E. 753; Zane, Banks and Banking, secs. 187, 188; Commercial National Bank vs. Armstrong, 148 U. S. 58; 2 Morse, Banks and Banking, secs. 591, 592.) In the instant case the appellant, by forwarding these collections under a general unlimited indorsement, divested itself absolutely of all ownership, and retained simply the right to look to its correspondent, the American National Bank, for payment; and when the American National Bank, without restricting or limiting such indorsement, sent the same to its correspondent, the appellee, it in turn divested itself of all ownership in the items, and could only look to the appellee for settlement in accordance with the established course of dealing between them. The record here discloses that under the uniform course of dealing existing between appellee and the American National Bank, the appellee had the right to apply the proceeds of all collections to the credit of the American National Bank, and, as it did so apply the proceeds of these special items without knowledge of any claim on the part of appellant, it was strictly within its rights, and cannot now be made to again account for the proceeds of collections which have already been credited to the account of the American National Bank.

It is not necessary for us to decide what remedy, if any, the holder of a check drawn by a depositor on a bank in which he has sufficient funds to pay such a check may have against the bank on which the check is drawn. That point is not presented for decision by the record here made, for the reason that appellant divested itself, as to third persons without notice, of all ownership by its general and unlimited indorsement and subsequent forwarding to its own correspondent, and its only right in the premises is that of a gen-

eral creditor of the American National Bank. (Citizens' Bank vs. Bank of Greenville, 71 Miss. 271; Brewing Ass'n vs. Clayton, 56 Fed. 759, 6 C. C. A. 108.)

For these reasons, on the facts set out in the special pleas of appellee, appellant has no cause of action. Wherefore the judgment is affirmed.

CERTIFICATE OF DEPOSIT—WHEN NOT NEGOTIABLE.

Court of Appeals of New York, April 8, 1904.

CAROLINE ZANDER vs. NEW YORK SECURITY AND TRUST COMPANY.

A certificate of deposit which contains a provision that it is assignable only on the books of the bank is not negotiable.

The action was brought on a certificate of deposit issued by the defendant to the plaintiff for the sum of $500, which it was alleged the plaintiff had inadvertently lost or destroyed. The complaint further alleged that payment of said certificate had been demanded, but that the defendant refused to pay the same unless the plaintiff would give it a sufficient bond of indemnity against loss by reason of the failure to produce the certificate, which bond the plaintiff has been unable and unwilling to give. To this complaint the defendant demurred as not stating facts sufficient to constitute a cause of action. The demurrer was overruled and judgment entered thereon awarding to the plaintiff unconditionally the amount due on the certificate.

CULLEN, *J.:* The only point the appellant seeks to raise on this appeal is its right to indemnity from liability on the lost certificate. It contends that as the plaintiff has refused to give such indemnity the complaint should be held not to state a good cause of action, or, at least, that the judgment of the courts below should be so modified as to award the plaintiff a recovery only on the delivery of such indemnity. The certificate of deposit which is the subject of this suit is in the following form:

"$500. No. 3711.

THE NEW YORK SECURITY AND TRUST COMPANY.

NEW YORK, July 11, 1901.

Has received from Caroline Zander the sum of five hundred dollars of current funds, upon which the said company agrees to allow interest at the annual rate of three per cent. from this date, and on five days' notice will repay, in current funds, the like amount, with interest, to the said Caroline Zander or her assigns, on return of this certificate, which is assignable only on the books of the company. The right is reserved by this company, upon giving five days' notice, to reduce the rate, or discontinue the payment of interest on this certificate, or pay the principal, such notice to be given personally, or through the mail, directed to the address named in the books of the company."

The defendant's argument is twofold: First, it urges that the certificate is a negotiable instrument; second, that if it should not be held to be a negotiable instrument the defendant, on account of the provision therein contained, that the amount due was payable on the return of the certificate, would, in analogy to the law relating to certificates of stock, be liable to third parties who might acquire for value the certificate. Doubtless a certificate of deposit may be issued in the form of a negotiable instrument (Frank vs. Wessels 64 N. Y. 155). But from our examination of the subject there seems to be no uniform usage in commercial circles or with monetary institutions as to their forms. Some are plainly negotiable, some equally plainly are not

negotiable, while between the two extremes are many of the debatable class. The instrument before us is payable to the plaintiff or her assigns. While the usual terms employed to confer negotiability on an instrument for the payment of money are to make it payable to order or bearer, still instruments payable to assigns have been held to be negotiable in cases where it was apparent from the whole nature of the instrument and the language employed that such was intended to be their character (Brainerd vs. N. Y. & Harlem R.R. 25 N. Y. 496; City Sav. Bank vs. Town of Greenburgh, 173 id. 215; see Negotiable Instruments Law, chap. 612, Laws of 1897, sec. 29). Therefore, had the first sentence of the certificate terminated with the words "on return of this certificate," it might be claimed, not without force, that the certificate was intended to be negotiable. But the words quoted are followed by the provision "which is assignable only on the books of the company." We think the clear effect and intent of this provision was to render the instrument non-negotiable and to protect the company in dealing with the holder of the certificate, as such holder might appear on the books of the company, without liability to third parties to whom, unknown to the defendant, it might be transferred. If such were not the object we are at a loss to discover any purpose which it was intended to subserve. This construction is fortified by the subsequent provision for reduction of rate of interest or payment of principal upon notice to the address named in the books of the company. We conclude, therefore, that from a consideration of the language of the certificate as a whole it is not a negotiable instrument.

Nor do we think that the defendant can be rendered liable to any assignee by way of estoppel for its failure to require a return of the certificate as a condition for the payment of the amount deposited. The case of stock certificates is not analogous to that of certificates of deposit. The object of requiring a surrender and return of the certificate as a condition precedent to the transfer of stock is to give to such certificates a certain degree of negotiability which, without this condition, could not be obtained. No consideration of that character is applicable to instruments for the payment of money. If one wishes to make a pecuniary obligation negotiable the law permits him to do so and it is readily accomplished by making the obligation payable to bearer or to order. There is, therefore, no reason in such a case for resorting to the indirect means used in the case of stock certificates, means which are only effective to a limited extent. Moreover, the two instruments differ entirely in character. A stock certificate is merely a muniment or representative of title. The stock which it represents exists apart from the certificate and its existence is contemplated to endure so long as the corporation continues. The owner, as he appears on the books of the company, is entitled to the dividends or profits, and it is only when he seeks to transfer his title to another that a surrender of the outstanding certificate is required as a condition precedent to the issue of a new one. But an instrument for the payment of money contemplates payment at some time, either at a date fixed or on demand. The condition that the certificate be surrendered at the time of its payment is no more than the law would require without a provision to that effect (Bailey vs. County of Buchanan, 115 N. Y. 297). This condition is qualified, however, by an implied exception in the case of loss or destruction (Frank vs. Wessels, *supra*; Wilcox vs. Equitable Life Assur. Soc'y, 173 N. Y. 50). Such a requirement expressed in a certificate, therefore, does not con-

stitute an estoppel in favor of a purchaser for value as it would in the case of a stock certificate. As the defendant can incur no liability from the failure to produce and surrender the certificate on its payment, it follows it is not entitled to indemnity.

The judgment appealed from should be affirmed, with costs.

GRAY, O'BRIEN, HAIGHT, MARTIN and VANN, *JJ.*, concur; PARKER, *Ch.J.*, absent.

Judgment affirmed.

CERTIFICATION OF CHECK TRANSFERRED WITHOUT INDORSEMENT.

New York Supreme Court, Appellate Division, First Department, May, 1904.

MAX MUIR VS. THE PHOENIX NATIONAL BANK.

Under the Negotiable Instruments Law, a bank, which certifies a check in the hands of a *bona fide* holder who obtained title thereto by transfer from the payee thereof but without indorsement, without inquiry as to the person for whom it so certifies, becomes directly liable to such holder.

INGRAHAM, *J.:* This action was brought to recover the amount of a check drawn by one Arthur Johns upon and certified by the defendant. Mr. Johns, who was an attorney-at-law, had collected for one Edla Muir a sum of money, and on December 12, 1901, drew his check upon the defendant, with whom he had an account, to the order of Edla Muir for $1,303.65, and sent that check to the payee, who was at that time sick in a hotel in this city.

The plaintiff, who was the brother-in-law of Mrs. Muir, and who had been in the habit of making advances to her in the absence of her husband, Dr. Muir, who was in Europe, and having loaned her $900, in addition to other sums of money represented by promissory notes, called upon her in the afternoon of Saturday, December 28, 1901. He was accompanied by his son-in-law, and found her confined to her bed. When the plaintiff went into the room Mrs. Muir asked him whether he had any money, to which he replied in the affirmative. She then asked him to advance her four or five hundred dollars, to which the plaintiff replied, "You promised—you owe me $900, and you promised me when you would get a check you will give that check from your lawyers." In reply she said: "Yes, I got it," and sent her maid to the hotel office for the check and gave it to the plaintiff and he paid her $400, receiving the check in payment of the $900 that Mrs. Muir owed him and the $400 he then advanced.

On the following day (Sunday) Mrs. Muir died. After her death Mr. Johns, the drawer of the check, having ascertained that the check was in the plaintiff's possession, wrote to the bank stopping payment. The note was dated Monday, December 30, and the evidence is that it was received by the bank on the morning of that day. Mrs. Muir left a will appointing her husband her executor. Upon Mr. Muir's returning to this country his wife's will was probated, when he was requested by the plaintiff to indorse this check, but, acting upon the advice of Johns, his attorney, he refused to indorse it, and thus the matter rested. The plaintiff thus being the owner and holder of the check for value, about January 15, 1902, sent it by his son to the defendant bank for certification. Upon presentation to the paying teller of the bank he certified it and returned it to the plaintiff's son, who returned it to the plaintiff. No questions were asked at the time the check was certified,

the messenger simply handing the check to the paying teller, the paying teller certifying it and returning it to the messenger without comment. Subsequently a demand was made upon the bank for the payment of the check, and the bank refused to pay upon the ground that it was not indorsed by the payee, but stated to the person presenting it that if it was indorsed by the executor of the payee the bank would pay the check. The executor of the payee having refused to indorse the check upon the ground that he was advised not to by his attorney, the drawer of the check, this action was commenced.

The court below left it to the jury to say whether or not the plaintiff became a *bona fide* holder of the check for value, charging the jury, "that is the first thing for you to consider in this case, because if you reach the conclusion that the plaintiff in this case is not a *bona fide* holder for value of this instrument, you need go no further. The underpinning of his structure has been knocked out, and it must fall to destruction unless he satisfies you, by a fair preponderance of credible evidence, because the burden is upon him in the first instance, that he is the *bona fide* holder for value." The jury having found a verdict for the plaintiff, they must have found that the plaintiff was the owner of the check. Being the owner of the check, he presented it to the bank, who certified it without making inquiry as to who it was that presented it for certification; and the question is whether the bank is liable upon this certification to the holder of the check at whose request it was certified.

If the bank is liable to the plaintiff for the amount of the check, the other questions presented need not be considered. It must be borne in mind that the bank does not dispute its obligations to pay to the drawer of the check the sum of money represented by it. He had on deposit the amount of the check to his credit. When the bank certified his check, it appropriated so much of the amount that the drawer had on deposit for the payment of this check, and, so far as appears, has that amount now in its possession. Neither does the drawer of this check dispute the fact that he owed to the drawee the amount of money represented by it.

The questions that are usually presented when a bank disputes the certification of a check relate to the equities between the drawer and the drawee of the check, or between the drawer of the check and the bank; and, of course, in such case it would be necessary, in order to shut out these equities, to show that the holder of the check parted with value upon the faith of the certification; but, if by this certification there was an agreement to appropriate a part of the money then on deposit in the bank in payment of the check, I can see no reason why the right to that money does not vest in the plaintiff irrespective of any question of estoppel which would be presented by reason of his having parted with a consideration based upon the certification of the check by the bank. That the title to this check could pass by delivery without indorsement is settled beyond dispute, and while by the transfer of the check its negotiability was destroyed, so that the transferee received simply the title that the transferrer had, which was subject to any equities that existed between the drawer of the check and the payee, still the title to the check passed by the transfer; and upon the undisputed evidence here, Mrs. Muir had a good title to this check, and there are no equities which interfere with the plaintiff's right to recover. It is also well settled that the certification of a check is equivalent to the acceptance of a bill of exchange.

As stated in the Am. & Eng. Enc. of Law (vol. 5, 2d ed., p. 155), "When a check is presented by the holder and certified, the certification constitutes a new contract between the holder and the bank. The drawer is released and the bank assumes his place; it is as if the funds had been paid out to the holder and redeposited to his credit." And this rule is now a part of the Negotiable Instruments Law (chap. 612 of the Laws of 1897, as amended by chap. 336 of the Laws of 1898). Section 323 provides that "where a check is certified by the bank on which it is drawn, the certification is equivalent to an acceptance." Section 324 provides that "where the holder of a check procures it to be accepted or certified, the drawer and all indorsers are discharged from liability thereon." Section 325 provides that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check." Section 79 provides that "where the holder of an instrument payable to his order transfers it for value without indorsing it, the transfer vests in the transferee such title as the transferrer had therein, and the transferee acquires, in addition, the right to have the indorsement of the transferrer." And section 112 provides that "the acceptor by accepting the instrument engages that he will pay it according to the tenor of his acceptance; and admits the existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the instrument."

By these provisions it seems to me that the solution of the question presented is free from doubt. The defendant had to the credit of the drawer of the check the amount represented by the check. The drawer of the check owed to the payee the amount represented by it, and in discharge of that obligation sent to the payee the check in question. The payee of the check, for a valuable consideration, delivered it to the plaintiff, who, under section 79 of the Negotiable Instruments Law, thereby became vested with the title of the transferrer of the check.

By presenting this check to the bank for certification, and its certification by the bank, a new contract was made between the bank and the holder by which there was substituted the obligation of the bank for that of the drawer of the check, and thereby the drawer became released from liability; and as the payee of this check transferred it to the plaintiff, the plaintiff had a good title to the check and the right to enforce it when the bank, by its certification, accepted the check and made a contract with the holder promising to pay it. By the certification the bank voluntarily assumed the obligation of the drawer, and agreed to pay the check to the plaintiff. The check and certification operated as an assignment of the funds to the credit of the drawer with the bank, and the bank became liable to the holder (Neg. Inst. Law, sec. 325). These rules are elementary, and in view of the express provisions of the Negotiable Instruments Law, to which attention has been called, it is not necessary to refer to the authorities to support them.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B., Barrister, Toronto.]

STATUTE OF LIMITATIONS—PROMISSORY NOTE—INSOLVENCY—BANK—CURRENT ACCOUNT—LIEN ON DEPOSITOR'S FUNDS—APPROPRIATION.

IN RE WILLIAMS (7 Ont. L. R., p. 156).

STATEMENT OF FACTS: This was an application by the executor of the insolvent estate of one Williams, deceased, for the opinion of the court on certain matters set out in the judgment.

JUDGMENT (TEETZEL, *J.*): The first question arises in connection with the claim of one John Plaxton, upon the following facts: Plaxton held five promissory notes made by the deceased, one for $263.39 and four for $200, each dated March 7, 1895, and payable respectively in two, four, six, eight and ten months from date, with interest at the rate of six per centum per annum. No payment was made on account of any of said notes.

On September 7, 1901, the deceased wrote to Plaxton's solicitor as follows: "I enclose herewith a letter from me to you as solicitor for Mr. Plaxton, acknowledging my indebtedness on the five notes mentioned so as to prevent the operation of the statute of limitations. I am much obliged to you for calling me up, but under no circumstances would it have made a particle of difference for the debt is one which I would and will pay, statute or no statute, if it takes my last cent." And the enclosed letter was as follows: "Dear Sir—In accordance with my assurance, to-day, over the telephone, I beg to acknowledge my liability to John Paxton on the five promissory notes made by me to him, dated March 4, 1895. This acknowledgment is made by me to prevent the running of the statute of limitations."

The only question in connection with this is whether the said letters take the claim of the said Plaxton out of the operation of the statute of limitations, both with reference to the principal money and interest due at the maturity thereof as also with reference to the interest by way of damages payable after the maturity of the notes. I think the clear intention of the deceased was to take his whole liability with respect to the notes out of the operation of the statute and the interest after maturity was an item of that liability within section 57 of the Bills of Exchange Act, 1890.

In the absence of any intention to limit the operation of the acknowledgment it must apply to interest as well as to principal, and it seems to me there can be no distinction drawn between interest owing when the notes fell due and interest after maturity by virtue of the act.

The next question was with reference to the claim of the Standard Bank.

In his lifetime the deceased was a customer of this bank and had with it a current deposit account and at the time of his death in April, 1903, there was a balance of $311.83 standing to his credit in this account and at the same time the bank held two promissory notes of the deceased, the one for $600, dated April 9, 1903, payable three months after date, and secured by an endorser; and the other for $788, dated September 20, 1901, payable on demand, without an endorser. Upon the latter note the testator had in his lifetime paid $350, and on July 22, 1903, there was a balance of $450.38 due

upon this note, and on that day the bank charged up this note against the said current account balance of $311.83.

The bank now contends that its claim against the estate consists of a balance of $138.55, arising out of the dealing with the note and the account as aforesaid, together with their claim of $600 on the note first mentioned.

The deceased's estate is insolvent, and the question is whether upon his death the $311.83 did not become an asset of his estate and whether the bank did not thereupon become a creditor of the estate in respect of the two notes as they then stood and entitled to rank only *pari passu* with the other creditors.

I am of the opinion that the $311.83 is entirely applicable towards satisfying the bank's claim and that the bank is only bound to rank *pari passu* in respect of the balance of its claim. A bank has a lien on all moneys, funds and securities of a depositor for the general balance of his account.

A further question in this connection is submitted, namely, Is the petitioner entitled to insist upon the whole or any part of the $311.83 being appropriated to the endorsed note of $600? As between the petitioner, representing the deceased, as the customer of the bank, and primarily liable on both notes, and the bank, I am of the opinion that there having been no evidence of any attempted special application of these moneys to either of said notes by the deceased or by the petitioner, and the bank having exercised its right to appropriate, such appropriation is binding upon the petitioner. If the customer has several accounts in a bank he may specify at the time of the payment or deposit which of them it is to be applied to; in default of his doing so the bank may determine its application to whichever accountit desires.

A different question may arise as between the endorser of the $600 note and the bank, in view of Hood vs. Coleman Planing Mill Co. (1900) 27 A. R. 203. But I am not asked for an opinion touching the rights of the endorser.

BILLS OF EXCHANGE—BANKS AND BANKING—FORGED NOTE—EFFECT OF LYING BY WITH KNOWLEDGE OF THE FORGERY—SILENCE—ESTOPPEL—LIABILITY.

DOMINION BANK vs. EWING (7 Ont. L. R. p. 90).

STATEMENT OF FACTS: This was an appeal from the judgment of Meredith, J., at the trial giving judgment for the plaintiffs with costs.

One Wallace was the manager, and perhaps interested in, a business carried on by Walter C. Bonnell, under the name of the Thomas Phosphate Company, which previous to August 14, 1900, had done some banking business with the plaintiffs. On August 15 Wallace procured the note now sued on to be discounted by the bank for the Phosphate Company and the proceeds were placed to the company's credit. On August 15 and 16 checks were issued by the company against the proceeds of the deposit and other small deposits payment of which left a balance to their credit at the close of business on the 15th of $1,611.55; on the 16th of $1,355, and on the 17th of $84.

On the 15th the bank sent a memorandum to the defendants, who reside in Montreal, in the following terms: "Toronto, August 15, 1900. You will please take notice that your note for $2,000 to the Thomas Phosphate Co. falls due at this bank on December 17, 1900, and you are requested to provide for the same. A. P., Assistant Manager. To Messrs. Ewing & Co., Montreal."

This was received by the defendants on August 16. To the bank they

made no response and took no notice of the memorandum; but between themselves and Wallace an active correspondence by telegram and letter was kept up beginning on August 16 and ending on December 5, on the defendants' side at first asking for an explanation, "before advising bank," and then urgently insisting on the note being taken up; while Wallace's letters are filled with the usual regrets and excuses for his conduct and vain promises to settle the note and relieve the defendants' anxiety.

The defendants appreciated the gravity of the situation, warning Wallace by telegram and letter on August 16 that, "the Phosphate Company have no note of ours," and that before advising the bank of this thought it better for you that we should ask you what it means;" and that, "we have to act promptly and to advise the bank at once to save ourselves;" on the 21st, "the only way out of it is for you to take it—the note—up at once," and that, "contrary to advice received we have held off for a day before notifying the bank." On the 23rd, that, "our lawyers told us distinctly that we had at once to advise the bank, in fact to do so the night we wrote you. We are now going against their advice; for God's sake fix it at once, else we don't know how the thing will end." Further letters in a similiar strain were written by the defendants to Wallace up to October. On December 4 the plaintiffs wrote defendants a formal letter advising them that they were the holders of a note made by them dated August 14, 1900, and payable at their branch office on the 17th inst. and requesting defendants to provide for the same. The defendants thereupon wrote Wallace saying that they would not reply to the bank until the 10th, so that he might have a further time in which to take up the note. On the 10th they wrote to the bank denying the note as theirs.

In evidence the bank Manager stated that the note came into the bank's possession on the 14th; the discount was not agreed on until the 15th. That Wallace, *i. e.*, the Phosphate Company, was at once entitled to draw against the proceeds which were placed to his credit before the memorandum of the 15th was sent to the defendants. The bank did not treat that as a letter to which they required or expected an answer before giving credit. They sent the letter of December 4 in consequence of Bonnell having come in and asked them to ascertain if the note was all right. If they had received on August 17 such a letter as the defendants wrote them on December 10 they would have refused to do any further business with the account. He said that Wallace had left the country about the time the note matured, but whether before or after he could not say.

JUDGMENT (OSLER, *J. A.*): The defendants appeal from the judgment given against them by the trial judge contending that there was under the circumstances neither ratification nor estoppel, and that in any event the recovery against them should have been restricted to the least sum the plaintiffs could be said to have lost by reason of the defendants' omission to reply to their memorandum of August 15.

The plaintiffs cannot in my opinion support the judgment on the ground of ratification nor does the learned trial judge put it on that ground although he throws out some suggestions in favor of it. The case is precisely within the holding in Merchants' Bank vs. Lucas in the Supreme Court, that "the act of forgery in the transaction not being an act professing to have been done for or under the authority of the defendants, was incapable of ratifica-

tion." Nor is this inconsistent with the decision in Scott vs. The Bank of New Brunswick in the Supreme Court, where it is held in the words of the Chief Justice, "this was a case of a pretended agent obtaining payment of money belonging to his assumed principal by false pretenses and representations as to his authority." There was a professed agency and therefore something capable of ratification by the alleged principal.

Moreover, if ratification there could be of such a forgery as this, there is no evidence of it, nothing appearing but the absolute silence on the part of the defendants towards the plaintiffs and consistent repudiation towards Wallace of any right or authority in him to make the note; intention to ratify is expressly disclaimed.

The plaintiffs' case must therefore rest upon estoppel. Was there a duty on the defendants' part to speak when they received the notice of August 15, or were they at liberty to refrain from doing so without incurring any risk in case the plaintiffs should sustain disadvantage from their silence. The letter referred to was a plain intimation that the bank were the holders of a promissory note purporting to be made by the defendants, which note they were requested to provide for; *i. e.*, to pay. It was the announcement of an ordinary business dealing on the part of the bank with an alleged commercial obligation of the defendants, which they were expected to meet in accordance with its terms. If the defendants deliberately omitted to answer such a communication and to repudiate liability, though their silence alone would not be enough to create an estoppel, they incurred the risk of the plaintiffs being induced thereby to treat the note as genuine and, by dealing with the forger on that footing, to alter their position for the worse. The principle which applies is that laid down by Parke, B., speaking for the court of exchequer in the well-known case of Freeman vs. Cooke: "If, whatever a man's real intention may be, he so conducts himself that a reasonable man would take the representation to be true and believe that it was meant that he should act upon it, and did act upon it, as true, the party making the representation would be equally precluded from contesting its truth; and conduct, by negligence or omission, where there is a duty cast upon a person, by usage of trade or otherwise, to disclose the truth, may often have the same effect.

It was contended that the defendants were not bound to take any notice of the bank's letter. No doubt a man is not bound to answer every letter he receives or to combat every charge or allegation which the writer may make against him. But a business communication like that in question stands on quite a different footing and according to the dictates of common sense and fair dealing does require an answer, since it must be apparent to the receiver that the future conduct of the sender, in regard to the receiver's supposed obligation, may or will be different if it is a forgery from what it would be if it were the genuine instrument it was taken for.

That silence under such circumstances when coupled with resulting damage will create an estoppel against a person in the defendants' position is shown by the following passage from the judgment of Lord Watson in Mackenzie vs. The British Linen Company: "It would be a most unreasonable thing to permit a man who knew the bank were relying on his forged signature to a bill, to lie by and not to divulge the fact until he saw that the position of the bank was altered for the worse. But it appears to me that it would be equally contrary to justice to hold him responsible for the bill

because he did not tell the bank of the forgery at once, if he did actually give the information and if, when he did so, the bank was in no worse position than it was at the time when it was first within his power to give the information."

Delay therefore in giving notice to the holder—perhaps even until the demand for payment—is immaterial if it has not placed him in a worse position than he was in when notice might first have been given. On the facts in the case cited, it was held that the appellant's delay in giving notice had not injured the respondents, who had incurred their whole loss before the appellant received notice of the forgery; they sued on the note and had lost by delay no remedy against the forger. In the case before us the defendants had been brought into direct relation to the bank in regard to the note on August 15. I mean that they did not hear of it merely incidentally in the street, as it were, or from some one having no direct interest in the matter. It is properly to be inferred from that letter and from Wallace's telegram to them of August 16, that they knew that the bank were the holders of the note and might therefore deal with it in any way in which commercial paper is ordinarily dealt with; by discounting it and placing the proceeds to the credit of the Phosphate Company, or otherwise.

They were in exclusive knowledge of the fact of the forgery, and were conscious, as their correspondence shows, that if they did not advise the bank promptly they were incurring a risk, namely, that of becoming liable, notwithstanding the forgery if, in consequence of their delay, the bank altered its position for the worse. Had they written on the 16th, their letter would have been received by the bank on the morning of the 17th, when there was still to the credit of the Phosphate Company the sum of $1,355.

It was urged that the defendants might reasonably have waited to hear from Wallace before writing the bank and that they might reasonably have supposed that the bank had mistakenly advised them of a note made by them instead of a draft made upon them by Wallace. The bank's letter was clear enough, but Wallace's telegram to them of the 16th must have put all doubt at an end and left them, in my opinion, no excuse for not notifying the bank. Then, it is said that the bank's loss was complete on the 16th because checks had already been issued though not paid covering the whole of the balance. This, however, cannot be material as the bank might have refused payment on becoming aware of the repudiation of the note. The result of the defendants' silence and of their lying by for the benefit of the forger, was that the bank's position was materially altered to their prejudice, and the defendants are therefore estopped from denying their liability on the note.

The only question remaining is whether the bank's recovery ought to be restricted to $1,355 or any lesser sum which was actually paid out after the time when the plaintiffs should have had notice of the forgery; this, it is said, being the only loss which can be attributed to the defendants' delay. In my opinion the plaintiffs are entitled to recover the full amount of the note. When an action is maintained by evidence of facts which estop the defendants from setting up a defence which might otherwise have been open to him, the nature of the recovery depends on the real cause of action, not on the estoppel, which is only evidence in support of it. This action is on a promissory note, a contract, a piece of property, of which the plaintiffs are the holders and in respect to which the defendants are estopped from denying

that they are the makers. The issue was upon the denial. It is found against the defendants on the evidence, not of the amount of the plaintiffs' actual loss, but of facts of which the result, in law, is that the defendants must be taken to be the makers of the note. The estoppel goes to that extent and there is no reason for saying that their liability on the note which the plaintiffs have bought and paid full value for is to be severed. "Estoppel by conduct, when fully made out, operates by nature, like all other estoppels, specifically; it gives to the party entitled the rights he would have had against the one estopped supposing the representation true."

On the whole it appears to me that the judgment is right and that the appeal should be dismissed with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents - to be promptly sent by mail.

Editor Bankers' Magazine: ———, Neb., June 25, 1904.

SIR: A issued a check in favor of B drawn on a bank in Iowa. B deposited the check with us on March 31, and we sent it on the same day to our correspondent in Omaha, in our cash item letter. They credited our account and forwarded it to the H Bank, which is located in the same town as the drawee bank, and they having collected the item sent their draft on Chicago in payment, which draft was received by the Omaha bank on April 5. They sent it to Chicago at once, but the bank there refused to pay it, on account of the H bank having failed. The check that B received is paid by the bank on which it was drawn, and B refuses to recognize any liability in the matter; the Omaha bank state that they did their duty in trying to collect the item, and are endeavoring to hold us for the amount of the worthless draft that they received. We want to know where the liability rests, and is the H bank draft a preferred claim against the assets of that defunct institution? CASHIER.

Answer.—We note that as between transmitting bank and the Omaha bank, the check was treated as a cash item. The Omaha bank did not receive it merely for collection, but as a deposit; and while the credit may have been provisional only, and subject to cancellation if the check was not paid, yet when payment was made by the drawee, the credit became absolute. The proceeds became the property of the Omaha bank, and that bank became indebted to its correspondent in that sum. (Cragie vs. Hadley, 99 N. Y. 131, 133; Metropolitan Nat. Bank vs. Lloyd, 90 N. Y. 530.) The fact that the proceeds are lost is no more material to the question than would be the loss of any other property of the Omaha bank.

In First Nat. Bank of Pawnee City vs. Sprague (34 Neb. 318) it was held that where paper is taken for collection and the bank receives only the customary exchange for the service, it is bound only for the exercise of due and ordinary care in selecting the correspondent to which the paper is transmitted, and is not liable for the default or failure of such correspondent to remit money collected by it. But this rule applies only where the bank acts merely as a collecting agent.

In First Nat. Bank of Omaha vs. First Nat. Bank of Moline (55 Neb. 303) the last-named bank held a note payable at the Holt County Bank of O'Neill, Neb., and sent the same to the First Nat. Bank of Omaha for "collection and return." The Omaha bank forwarded the note to the Holt County Bank

for "collection and credit." The last-named bank collected the note and placed the amount to the credit of the Omaha bank, but failed without paying over the proceeds, and owing the Omaha bank a large overdraft. The court held that the Omaha bank was liable to the Moline bank for the account. In the course of the opinion, the Court said: "It is urged for the Omaha bank that when it forwarded the note to the Holt County Bank for collection, it had performed all that could be exacted of it; that the bank of collection became the agent of the Moline bank, and the intermediate bank was not further liable. Had the note been transmitted to the Holt County Bank merely for collection and remittance of the amount received, then the doctrine indicated in the argument might have been successfully invoked and have been governable in the determination of the litigation. * * * But the Omaha bank did not allow this note to take the regular course of collections, and to fall within the established rules relative to such transactions. It withdrew it therefrom by its instructions in the letter of transmittal by which it ordered that it be given a credit for the amount collected at the time of payment. This, cojointly with the further fact of the payment and the credit, established the relation of principal and agent between it and the bank of collection and made it liable to the Moline bank for the amount collected."

In the present case, it would appear that the Omaha bank had forwarded the check "for collection;" but it had not received the same for that purpose merely. The case then is not within the rule of First Nat. Bank of Pawnee City vs. Sprague.

As the check appears to have been received by the H bank for collection merely, the proceeds can be claimed specifically, provided they can be traced into the funds coming into the hands of the Receiver. (See S. Ober & Sons Company vs. Cochran, reported in the BANKERS' MAGAZINE for December, 1903, and the cases cited in the opinion in that case.)

Editor Bankers' Magazine: ROCHESTER, N. Y., June 22, 1904.

SIR: On June 10, A gives B a draft on bank dated June 30, but it reads "at sight." The bank refuses to honor draft because it claims it is not due. Please state if bank is not in error. CASHIER.

Answer.—As the instrument was drawn on a bank, and was made payable "at sight," it is to be treated as a check, and not as an ordinary bill of exchange (Bull vs. Kasson Bank, 123 U. S. 105; Matter of Brown, 2 Story, 502; Way vs. Towle, 155 Mass. 374; Champion vs. Gordon, 70 Pa. St. 474.) In Mohawk Bank vs. Broderick (10 Wend. [N. Y.] 304, 307) it was said: "The check was both drawn and negotiated before its date; the effect of which is that it is payable on demand, on or after the day on which it purports to bear date, and nothing more." And in the same case, when in the court of errors it was said by Chancellor Walworth: "The check in this case was postdated as of the 14th of January, although actually drawn and negotiated before that time. Hence it is insisted, in behalf of the defendants, that it must be considered as if it was dated at the time it was actually drawn, and was made payable on a day certain. The court below was right, however, in treating it as a bill or check, payable at sight, or upon presentment thereof at the bank at any time on or after the day of its date, but not before; or, in other words, so far as concerns the question of presentment and notice of non-payment, it is to

be considered as if drawn, as well as dated, on the 14th of January." In the case stated in the inquiry then, the instrument should be treated as if not actually issued until June 30, on and after which day it will be payable "at sight." We think, therefore, that the drawee bank was right in refusing payment."

Editor Bankers' Magazine: BATAVIA, N. Y., June 15, 1904.

SIR: I have an interesting case which I should like to have your opinion on: Mr. S. starts in the dry goods business and rents a store of Mr. D. who is a large property owner. Mr. S. is supposed to be honest and upright but has not much means; so Mr. D. begins to endorse for him, taking surety in the shape of mortgages on real estate in the name of Mrs. S., but not recording them. Security given to cover all endorsements and renewals thereof.

All Mr. D. seems to realize from the deal is the rent of his store. He endorses notes which are discounted at the different banks in town, all four banks having some. The banks did not know that Mr. D. had security for his endorsement and as there was nothing recorded against Mrs. S's property she was able to borrow on her own notes.

After getting several notes renewed from time to time Mrs. S. asked Mr. D. to endorse a note to renew one for $280 due that day. Mr. D. said that he did not remember any such note but upon Mrs. S. promising to bring back the old note for his inspection he did sign a renewal note for $280. After the bank renewed the note Mrs. S. tore up the old note so Mr. D. could not see the endorsement.

In the meantime Mr. S. was owing firms all around outside for goods. Business was a little dull and ready cash getting scarce. Mrs. S. had given other mortgages and one was recorded before the one given to Mr. D. The fact that one of these was recorded made Mr. D. put his on record which he had promised Mrs. S. he would not do. Finally, Mr. S. makes an assignment to Mr. H. who is Mr. D's partner in book, music and wall paper store. Then one of our notes becomes due purporting to have Mr. D's endorsement on it and we telephoned and asked him if he would like to sign a waiver of protest on the note. Mr. D. comes over to the bank and takes the note and looks at it saying, it's a shame that he has got to take care of that note. He says he will not sign the waiver and starts out but comes back, and in the presence of three officers of the bank signs the waiver remarking that he has security enough for it. Here is the form of waiver he signed: For value received I hereby waive presentation, demand of payment and notice of non-payment of within note.

Two of the four banks holding this S—D paper sue Mr. D. for the notes. D says the endorsements are a forgery and the case is tried before a referee who decides against the banks. There being enough genuine endorsements to take more than this security is worth. Then there are other notes made by Mr. S. and Mrs. S. with Mr. D's endorsement, also notes made by Mrs. S. and endorsed by Mr. S.

The assignee sells the stock of goods and pays about thirty per cent. dividend. What I want to know is, can we collect from Mr. D. on the note that he waived protest on although his first endorsement on the note might have been forged. In the case tried before the referee Mr. D. swears that he did not sign any notes after February, 1903, and the note in question is dated April, 1903. In the meantime Mr. S's son who has a $6,000 life insurance in favor of his mother, dies. Mrs. S. assigns this to Mr. D. Now Mrs. S. and Mr. D. are willing to apply the surplus moneys from this insurance on these notes signed by Mr. S. and purporting to be endorsed by Mr. D., but this will not nearly pay them. ASSISTANT CASHIER.

Answer.—In a case where a man's signature has been placed upon a note by another person, he can be held liable only upon the theory that he authorized the act, or by his silence or acquiesence he has led the holder to change his position upon the faith of the indorsement. Thus, if in the case stated in the inquiry, the note had been shown to D, before it was discounted by the bank, and he had not disputed the signature, he would not be permitted to deny its genuineness after the bank had advanced money on it. (Grout vs. DeWolf, 1 R. I. 393.) But in the present case, it does not appear that the bank altered its position by reason of the waiver given by D. It occupies precisely the same position that it would have occupied had it protested the note and sent D notice of dishonor. But taken in connection with other circumstances, this action on his part might be deemed evidence, though not conclusive evidence, that his name had been placed upon the note with his

authority. He could not be held, however, upon the theory of a ratification. "Forgery does not admit of ratification. A forger does not act on behalf of, nor profess to represent, the person whose handwriting he counterfeits, and the subsequent adoption of the instrument cannot supply the authority which the forger did not profess to have." (Henry Christian Building and Loan Association vs. Walton, 181 Pa. St. 204.)

Editor Bankers' Magazine: KINCARDINE, Ont., June 12, 1904.

SIR: (1) The banks A and B in the same town in Ontario deposit each morning checks on one another making settlement at a certain figure. They each endorse the checks so deposited with a paid stamp as follows:

"The Traders' Bank of Canada. Paid. Mar. 12, 1904. Kincardine, Ont."

Three weeks after a certain check was deposited by A, it was found that the check bore a forged endorsement. Bank B demanded the amount from A who they claim by their stamp guaranteed all previous endorsements as genuine. Can they collect this under the Bills of Exchange Act of 1890 (Canada). Bank A refuses to pay the amount.

(2) Bank A advances Mr. Jones $1,000, receiving as security a warehouse receipt given under section 74 of the Bank Act, 1890 (Canada), covering twelve horses in a certain stable. Is this live stock under that section, and can a warehouse receipt be given for horses in a stable? HUGH C. ANDERSON.

Answer.—(1) A stamp of this character has sometimes the effect of guaranteeing the genuineness of the paper and all the signatures thereon; but this is by force of some clearing-house by-law, or by arrangement between the banks. It has no such effect either under the law merchant, or under the Bills of Exchange Act of Canada. It is not an indorsement in the proper sense of that term; for when a check is presented to the bank on which it is drawn for payment, the transaction is not a negotiation of the instrument. By paying it the bank does not become a holder of the paper, but discharges it; and, by the terms of the statute, it is only to subsequent holders that the indorser guarantees the genuineness of prior signatures. In the absence, then, of some arrangement between the banks, or of some course of dealing from which such an understanding may be implied, we do not think the stamp in question could have the effect of a guaranty. But the ordinary rule is that where the drawee bank has paid a check to which an indorsement has been forged, it may recover back the money so paid from the bank making the collection, as money paid under a mistake of fact. (Canal Bank vs. Bank of Albany, 1 Hill, [N. Y.] 287; Bank of Commerce vs. Union Bank, 3 N. Y. 230.) This rule, however, does not apply in cases where the paper has been indorsed to the collecting bank for collection, if it has paid the money over. (National Park Bank vs. Seaboard National Bank, 114 N. Y. 28; United States vs. American Exchange Nat. Bank, 70 Fed. Rep. 232.) It was to obviate the inconvenience resulting from this exception that the clearing-house rule above referred to has been adopted by many clearing-house associations.

(2) Horses would seem to be within the term "live stock or dead stock," as used in section 74 of the Bank Act, and a security in the form of chedule C, as appended to the act, could properly apply to them.

INVESTMENT NOTE.—The Buffalo and Susquehanna Railroad Company has declared its regular dividend of one per cent. on its preferred stock and one and one-quarter per cent. on its common stock, the former payable June 1 and the latter July 1.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

CHAPTER V.

THE ORGANIZATION OF TRUST COMPANIES.

The question as to whether there is a sufficient field for the organization of a new trust company in any given community is one which should be given careful study before steps are taken for such organization. During the flush times preceding the depression of 1903 some trust companies were undoubtedly organized for which there was not a sufficient field. Many of them have passed out of existence, involving losses to their stockholders. On the other hand, trust companies have been started in places where the conservatives could see no possible chance for success, and have become prosperous and useful institutions.

Whether the trust company form of organization is to be preferred to others must, of course, depend upon the circumstances of the time and place. The present tendency, however, is undoubtedly towards preferring the trust company form except where the conditions clearly call for a National bank; and many State banks and incorporated Savings banks, as well as some National banks, are being changed to trust companies. Because of their wide powers and of the privileges which they enjoy, these institutions often thrive where ordinary banks could not make a living.

Elements Contributing to Success.

The success of a new institution will depend very largely upon the men behind it. A poorly "backed" company will have difficulty in making a success even in a good field, while companies with the proper backing and officers have often prospered in fields that seemed fully occupied. If a new company is projected, therefore, the question of prime importance at the start is, Who will be its stockholders, its directors, its officers? First of all, they should be men whose standing in the community is unquestioned—men of probity and character. Men who have money and nothing more may help the bank at the start, and may bring it much business, but they cannot help in building up business among the general public, whose confidence must be obtained before the new institution can meet with pronounced success. While this is conspicuously an age of money and money power, there are, fortunately, some things which mere money can not do, and one of them is to secure the confidence of the public.

There is no substitute for character as a means of leading the people to put trust in a financial institution.

The shareholders should be men whose interests lie in the community where the company is to be located, thereby insuring their continued sup-

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* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

port of the enterprise after it is launched. An institution with good prospects is almost always able to pick its stockholders, and should avoid admitting those who wish to subscribe merely as a speculation. Subscribers are often required to pledge a certain amount of business to the new company for a given period, and to state what business they think they can bring from others. If the concern is to do a general business, not confining itself to a specialty, the stockholders should be so selected as to represent as many different lines of business and professions as possible. Some difference of opinion exists as to whether it is better to have a large number of stockholders with few shares held by each, or to limit the number and increase the holdings. The former plan usually insures a larger group of customers from the start, and gives the general public more interest in the project. The latter plan permits of more unanimous and concerted action, and is sometimes of convenience. As a rule, however, the former plan is preferable.

Steps Preliminary to the Organization.

When it has been decided that a company shall be organized, a meeting should be called to discuss preliminary plans and to prepare papers in application for a charter. Blank forms for this purpose are usually supplied by the State banking department, where such a department exists, or by the Secretary of State. In any case the forms should be prepared by a competent attorney, and his services should be utilized during all the proceedings until the company has begun business. The minutes of the meetings should either be kept by him, or else be subject to his examination and approval. At this first meeting a committee should be appointed to receive subscriptions to the stock and to apportion the stock carefully among the bidders.

From this point on the plan of procedure will depend upon the State in which the company is to be incorporated. Three plans of incorporation are in vogue. In most of the New England States and a few others, trust companies are incorporated only by special act of the Legislature, following the usual ante-bellum method of chartering State banks. In a few States special laws for the incorporation of trust companies have been passed. In the remaining States these companies must be organized under the general laws for the incorporation of banks or of corporations for profit.

As an example of the procedure in those States having special laws for the incorporation of trust companies, that prescribed by the laws of the State of New York may be taken.

Incorporation of Trust Companies in New York.

Since 1887 most companies in this State have been incorporated under the general trust company law of that year, though some have been incorporated under the old plan of a special act of the Legislature. Under the general law, thirteen or more persons may form such a corporation. They must first publish a notice of intention to organize a trust company, at least once a week for four weeks, in a newspaper to be designated by the Superintendent of Banks, in the city or town where such trust company is proposed to be located; and a copy of such notice must be sent at least fifteen days before the filing of the organization certificate, to each trust company organized and doing business in the city or town where such company is proposed to be located. The State banking department furnishes a form for this notice, which reads as follows:

NOTICE OF INTENTION TO ORGANIZE.

We, the undersigned, hereby give notice of our intention to organize a trust company, under and pursuant to the laws of the State of New York, and, in conformity with the statute in such case made and provided, we hereby specify and state as follows, to wit:

First, The names of the proposed corporators are: ——, ——, ——.

Second, The name of the proposed trust company is ——.

Third, The location of the proposed trust company is to be ——.

In witness whereof we have hereunto affixed our signatures this —— day of ——, 190—.

(Here must be placed the signatures of the corporators.)

The corporators, having complied with these requirements, must furnish proof of their having done so to the Superintendent of Banks. For the notices in the newspaper, ordinary proof of publication should be furnished. The department furnishes a form for the proof of service on the existing trust companies, as follows:

PROOF OF SERVICE OF NOTICE OF INTENTION TO ORGANIZE.

State of New York, }
County of ———— } ss.

——, being duly sworn, deposes and says that he is upwards of twenty-one years of age, and resides at No. ——, in the city of ——; that on the —— day of ——, 190—, he served a copy of the annexed notice of intention to organize —— upon each trust company hereinafter named by mailing to each of such trust companies a true copy of said notice at the post office in the city of ——, inclosed in a sealed envelope and directed to each of such trust companies at its post office address, and prepaying the proper postage on each of said notices so mailed, as follows, to wit:

(Here must follow the names of the said trust companies.)

This document must be properly sworn to.

The certificate of organization must next be filed with the Superintendent of Banks, after the expiration of the required period as above stated. The form of such certificate reads as follows:

CERTIFICATE OF ORGANIZATION OF ——.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, ——, ——, ——,
all being persons of full age and citizens of the United States, and a majority of us being residents of the State of New York, do hereby associate ourselves together for the purpose of forming a trust company, under and pursuant to the laws of the State of New York, and for such purpose we do hereby, under our respective hands and seals, execute and duly acknowledge this organization certificate, in duplicate, and specifically state as follows, to wit:

First, The name by which the corporation shall be known is ——.

Second, The place where its business is to be transacted is ——.

Third, The amount of its capital stock is to be —— dollars, and the number of shares into which the same is to be divided is ——.

Fourth, The name, residence and post office address of each member of the corporation are as follows: ——, ——, ——.

(Here must be given the complete list of stockholders.)

Fifth, The term of existence of the corporation is —— years.

Sixth, The subscribers, the members of the said corporation, do, and each for himself does hereby, declare that he will accept the responsibilities and faithfully discharge the duties of a director therein if elected to act as such when authorized in accordance with the provisions of the Banking Law of the State of New York.

IN WITNESS WHEREOF, We have hereunto set our hands and seals, and executed this certificate in duplicate, this —— day of —— 190—.

(Here must follow the signatures of the stockholders, and they must swear to same before a notary in the usual form.)

Within sixty days after its acknowledgment, this certificate, which as stated must be executed in duplicate, must be filed, one copy in the office of the county clerk of the county wherein such trust company is proposed to be located, and one in the office of the Superintendent of Banks of the State. A certified copy of the duplicate filed with the county clerk must be sent to the Superintendent of Banks, that he may have official notice of the filing of said duplicate.

The statute says: "Upon the receipt of any such organization certificate in the office of the Superintendent of Banks, if it shall not be in form and substance, or duly and properly acknowledged, as herein required, or shall not be accompanied by satisfactory evidence of the publication and service in good faith of the notice of intention to organize, the Superintendent shall refuse to file such certificate until it shall be amended in conformity to the provisions of this article. If fulfilling all of the prescribed conditions, the Superintendent shall indorse the certificate 'filed for examination,' with the date of such indorsement."

Having filed the certificate, the Superintendent is charged with the duty of ascertaining as best he can whether the public convenience and advantage would be promoted by the proposed trust company and whether the men behind it are fit and possess the confidence of the public. If he is not satisfied of such fitness and advantage, he must, within sixty days after the filing of the certificate with him, notify the county clerk that he refuses to issue a certificate of authorization for such trust company.

If he is so satisfied, he must issue the authorization certificate within sixty days from the filing of the organization certificate, provided the organization tax has been paid to the State Treasurer and a receipt therefor is shown, and provided that he has ascertained by an examination that the requisite capital of the proposed corporation has been fully paid in, in cash. The persons in charge of organizing the company must therefore see to it that these matters are attended to in season. The company is forbidden to begin business until the authorization certificate from the Superintendent of Banks has been received; and it must also, before beginning active business, file with the Superintendent a list of its stockholders, giving the name, residence, post office address and number of shares held by each of them respectively, which list must be verified by the two principal officers of the corporation.

While these legal proceedings are being attended to, presumably by the attorney of the corporators, a large number of details must be looked after by the man or men who are to be in active control of the company. Stock certificates must be ready to give to the stockholders when the subscriptions are fully paid. The seal of the company must be secured. The quarters for the company must be made ready, and the various books, records and blanks must be prepared. Arrangements must be made with the correspondents of the banking department.

After organization, the first duty of the directors is the adoption of a set of by-laws and the election of officers. Before the actual election of officers, there is usually an understanding as to who the men in active control are to be. It saves much time and trouble if the by laws are prepared in advance by some competent person. After organization, the directors will of course make such changes in such by-laws as they see fit before adopting them, but they can work to much better purpose with an outline already drawn.

By-Laws.

The exact form of by-laws will of course vary greatly with different companies, many details depending upon the size of the company, the probable character of its business, etc. Herewith are submitted the by-laws in use by a company in New York, having total assets of about eleven millions. It serves as a fair sample of the by-laws of a progressive, up-to-date company, but of course contains provisions peculiar to the company. The article on officers and employees, in particular, is apt to be quite different in smaller companies. Often the Secretary and Treasurer is the head executive officer, the President being merely an honorary office. Sometimes one of the Vice-Presidents is the active head.

BY-LAWS OF THE FRANKLIN TRUST COMPANY, OF THE CITY OF NEW YORK, BOROUGH OF BROOKLYN.

Amended to and Adopted February 4, 1903, Amended, December 9, 1903.

ARTICLE I.

Stockholders.

Section 1. A regular annual meeting of the stockholders of the company shall be held at its office at 10 o'clock A. M. on the second Wednesday of January in each year, or, if that be a legal holiday, then on the next business day, for the election of trustees in the class whose term of office shall then next expire; and for the transaction of such other business as may properly be brought before the meeting. Such election shall be between the hours of 10 A. M. and 11 A. M., and shall be advertised and conducted as provided for by law.

Section 2. Special meetings of the stockholders shall be called and held in the cases provided by statute, and may be called and held whenever and as often as the President, a majority of the board of trustees, or of the executive committee, may deem expedient; and it shall be the duty of the President to call such meetings upon the written request of the owners of record of a majority of the capital stock of the company.

Section 3. In addition to such other notice, if any, as may be required from time to time by law, ten days' written or printed notice of the regular annual meeting and also of every special meeting of the stockholders shall be served personally upon each stockholder of record, or mailed to such stockholder at his post-office address as shown on the stock-ledger, or published at least twice not more than twenty nor less than ten days before the meeting, in some newspaper published in the Borough of Brooklyn, City of New York, and such notice of special meetings shall state the objects of the meeting.

Section 4. The holders of record of not less than one-fourth of all the capital stock of the company issued and outstanding, represented in person or by proxy executed pursuant to the requirements of the General Corporation Law, shall constitute a quorum for the transaction of business at any meeting of the stockholders except in the cases where otherwise provided by the General Corporation Law; but if there be less than a quorum represented at any meeting, the holders of a majority of the stock so represented present in person or by proxy may adjourn the meeting to some future date.

Section 5. At any and all meetings of the stockholders, every registered owner of shares may vote in person or by proxy executed pursuant to the requirements of the General Corporation Law, one vote for each share owned by him and standing in his name, but no proxy shall be valid after the expiration of eleven months from the date of its execution, unless the member executing it shall have specified therein the length of time it is to continue in force, which shall be for some limited period.

At all elections of trustees the voting shall be by ballot, and a plurality of the votes cast thereat shall elect.

Section 6. The stockholders at each annual meeting shall also elect, or appoint, three persons, who shall not be trustees or officers of the company, and who need not be stockholders, to act as inspectors of election at all the following meetings of the stockholders

until the close of the next annual meeting. If an inspector shall decline to serve, or neglect to attend any meeting, or his office shall become vacant, the President may appoint an inspector in his place. The inspectors of election shall take charge of the polls, and, after balloting, shall sign and acknowledge a certificate of the result of the vote taken, and shall return, file and verify statements and certificates in the special cases as provided in the General Corporation Law. Each inspector before entering upon the performance of his duties shall be sworn to faithfully execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

ARTICLE II.

Board of Trustees.

Section 1. The business and affairs of the company shall be directed by a board of twenty trustees, who shall be elected by ballot in accordance with law at the annual meeting of the stockholders, six at the meeting of January, 1900, and every third year thereafter; and seven at the meeting of January, 1901, and every third year thereafter, and seven at the meeting of January, 1902, and every third year thereafter; the term of office of each class to commence on the next succeeding Wednesday at 9 A. M., and continue three years, or until their successors are elected and qualified.

Each trustee must be a holder of record in his own name and right of at least twenty-five shares of the capital stock of the company, and when he ceases to hold or own said number of shares he shall thereupon cease to be a trustee.

Section 2. Whenever a vacancy shall occur in the board, by death, resignation, or otherwise, in the interval between the annual meetings of the stockholders, it shall be filled by the board for the remainder of the term, by election by ballot at a regular meeting, after nomination at a previous monthly meeting; or, if no such nomination has been made, after nomination by the executive committee at any regular meeting of such committee, held at least one week previous to such meeting of the board of trustees at which the election is to be held, and notice by the secretary of the proposed election shall be sent with the notice of the meeting at which it is to be held.

Section 3. There shall be a regular meeting of the board of trustees on the first Wednesday after the first Monday of every month, except January, when it shall be held on the third Wednesday, at 9 A. M., or at such other day or time as the board may from time to time appoint, to which a report shall be made by the President of the business and affairs of the company. At all regular meetings of the board the following shall be the order of business, unless changed by a vote of a majority of the trustees present:

1. Calling the roll.
2. Reading the minutes of the last regular meeting and of any special meeting or meetings held since the last regular meeting.
3. Reading the minutes of the meetings of the executive committee since the last meet- of the board.
4. Report of the President.
5. Report of the secretary.
6. Reports of committees.
7. Unfinished business.
8. New business.

Section 4. At the regular meeting of the board of trustees on the third Wednesday of January in each year, after reading the report of the inspectors of election and calling the roll, the first business shall be the election of a President, Vice-Presidents, and an Executive Committee; and whenever a vacancy shall occur in the office of President or either of the Vice-Presidents, or in the executive committee, it shall be filled at a regular meeting of the board, or at a special meeting called for that purpose after notice in either case by the Secretary of the proposed election and the meeting at which it is to be held. Such elections shall be by ballot.

Special meetings of the board of trustees may be called at any time by the President, and shall be called by him upon written request of three trustees.

ARTICLE III.

Executive Committee.

Section 1. There shall be an executive committee consisting of the President ex-officio and four trustees elected annually by the board of trustees, who shall organize by the election of their own chairman (who shall not be the President), and shall hold their offices until their successors are elected in their places. Vacancies in the committee shall be filled by the board of trustees.

Section 2. The executive committee shall have and exercise in the intervals between the meetings of the trustees all the powers of the board which can lawfully be delegated, and shall have general supervision of and direct the affairs and practical operation of the company. It shall superintend and advise all investments of the funds of the company, and of trust funds in charge of the company for investment, and shall supervise all special trusts ; and no guardianship, receivership, or special trust, other than by orders of a court having jurisdiction, shall be accepted by the company without the committee's approbation and concurrence, except that in the intervals between the meetings of the committee such trusts may be accepted by the President upon approval by the counsel, such action to be reported at the next meeting of the committee.

The executive committee may, in its discretion, authorize the President to make such loans and investments as are permitted by law and report the same at its next following meeting, and its chairman shall, during the pleasure of the committee, have such power and perform such lawful acts as the committee may deem necessary for the proper transaction of the current business of the company.

Section 3. The executive committee shall designate from time to time the banks or financial institutions in which deposits of the moneys of the company shall be made.

Section 4. The executive committee shall meet once every week, and at such other times as it may appoint, or may be called by the President or by its chairman. A majority of the committee shall form a quorum for business, and regular minutes of its proceedings shall be kept, which shall always be open to the inspection of any trustee, and shall be read at the following meeting of the board of trustees.

Section 5. Subject to the approval of the board of trustees at its next following meeting, the executive committee may fix the compensation and define the duties not otherwise herein enumerated of the officers, clerks and employees of the company, who shall give such bonds as the committee may require as further provided for in Article VII, Section 1. All agents or employees of the company shall be subject to removal by the executive committee, with or without assignment of cause or reason for such action.

ARTICLE IV.

Examining Committee.

Section 1. There shall be an examination made in December and June of each year, of the books, accounts, cash, and securities of the company, by a committee to be appointed each half year by the board of trustees for that purpose, who shall report to the board the results of such examination, and sign and verify the semi-annual statement to the Banking Department required by statute, and the committee last appointed may make such other examinations at such other times as it may deem necessary.

Section 2. Trustees while serving on the executive committee shall be ineligible for appointment on the examining committee.

ARTICLE V.

Other Committees.

Section 1. The board of trustees may from time to time direct the creation of other committees, and may appoint from among their number, or otherwise, such other committees, standing or special, as may be deemed proper, and may direct and delegate to any such committee such powers and duties as may seem expedient, and revoke the same and terminate such duties at pleasure.

ARTICLE VI.

COUNSEL.

Section 1. Counsel shall be appointed by the executive committee, at stated annual compensation, for general advice to the officers, executive committee or board of trustees in the performance of their duties.

Section 2. In all cases of loans on bond and mortgage, excepting those where the title is guaranteed by a corporation approved by the board of trustees, an abstract of title, approved by the counsel of the company, shall be deposited with the company.

ARTICLE VII.

OFFICERS AND EMPLOYEES.

Section 1. The officers of the company shall be a President, a Vice-President, a second Vice-President, a Secretary, two Assistant Secretaries and a Trust Officer, all of whom, except the President and vice-presidents, shall hold their respective offices during the pleasure of the board of trustees, or of the executive committee. The President and the Vice-Presidents shall be trustees of the company, and shall hold their offices respectively for one year from the third Wednesday of January in each year, and until others are elected in their stead. Bonds satisfactory to the executive committee, and in amount not less than ten thousand dollars, shall be given by the Secretary, Assistant Secretaries and Trust Officer, and not less than five thousand dollars by each clerk. New or additional securities may at any time be required by the executive committee.

Section 2. The election of officers shall take place on the third Wednesday of January in each year as provided for in Article II, Section 4, and vacancies shall be filled as therein provided for. The salaries or compensation of all officers and employees of the company shall be fixed by the executive committee, subject to the approval of the board of trustees as provided for in Article III, Section 5.

Section 3. The executive committee, subject to the approval of the board of trustees, may from time to time appoint, or authorize the President to appoint, such agents and employees as it may deem best, and may prescribe the duties of the officers, agents and employees of the company. All agents and employees of the company shall be subject to removal as provided for in Article III, Section 5.

Section 4. The President shall be the chief executive officer of the company. He shall preside at all meetings of the stockholders and of the board of trustees, and he shall be a member ex-officio of all standing committees, except the examining committee. He shall have general charge, supervision and control of the business and affairs of the company, see to the proper and safe custody of the securities of the company and in its charge, subject, however, to the authority and control of the board of trustees and of the executive committee; and, subject to review of his action by said board and committee, he may appoint, suspend and discharge all agents and employees. He may call special meetings of the trustees whenever he may deem it proper, and shall call them whenever any three of the trustees shall request him in writing to do so, of which meetings at least one day's notice shall be given.

Section 5. It shall be the duty of the President or a Vice-President to sign all certificates issued for deposits of money, and all checks drawn, except checks for dividends and coupons, which shall be signed by any two officers of the company; and to keep, or cause to be kept, a daily record of all moneys received and paid out by the company. He shall countersign or certify all bonds issued by the company as trustee.

Whenever any stock shall be hypothecated with the company as security for a debt or loan, the President is authorized at his discretion to cause the transfer of same to the company. He shall also have power to make any and all transfers of the securities of the company, which may be authorized by the executive committee.

He shall at all times exercise such general direction and supervision over the business of the company as its interests and security may require; and in all cases where the duties of the subordinate officers and agents of the company are not specially prescribed by the by-laws or resolutions of the board of trustees or of the executive committee, they shall obey the orders and instructions of the President.

Section 6. The President shall have the custody of the seal of the company, and shall have the power to affix the same to certificates of the capital stock of the company ; to certificates acknowledging satisfactions of judgments and mortgages and to assignments of mortgages ; to releases of portions of mortgaged premises, to transfers and powers of attorney for the transfer of hypothecated stocks, and for the collection of interest and dividends ; to legal proceedings ; to any assignments of mortgages or stocks to the Superintendent of the Banking Department; also to all deeds and releases of any real estate, or portions thereof, which have been or may be conveyed to the company in or by any trust deed or mortgage, and to any contract in relation to any real estate or portions thereof, so conveyed, when such deed, release or contract is authorized or required by the provisions of said deed of trust or mortgage ; to certificates of deposit ; to receipts for money or property : to acceptances of appointment, as executor, administrator, guardian, receiver or other special trust, ordered by a court having jurisdiction, and to such transfers of the securities of the company as may be authorized by the executive committee. The seal of the company shall not be affixed to any other deed, conveyance or instrument whatever, unless by authority of the board or executive committee.

Section 7. In case of the death, absence, or disability of the President, his powers shall be exercised and his duties discharged by the Vice-President, and in like manner the second Vice-President shall have the powers and duties of the President in the event of the absence or disability of the President and Vice-President ; and in the event of the death, absence, or disability of the President, Vice-President and second Vice President, the executive committee for the time being shall appoint one of their number to act as President until the board of trustees shall, by a majority vote of their number, appoint a trustee to act as President *pro tempore.*

The said Vice-Presidents shall perform all such other duties as may be assigned to them from time to time by the board or the executive committee. One of the Vice-Presidents shall be a salaried officer of the company, and shall devote his entire time and attention to the business. He shall assist the President, as he may be directed from time to time. He shall, under direction of the President, be charged with the administration of the business and affairs of the company. He shall have such other duties as may be prescribed by the board of trustees, the executive committee, or the President.

Section 8. The Secretary shall be the custodian of the records of the company, unless otherwise provided by the by-laws, or directed by the board of trustees, or the executive committee. He shall keep the records of all votes and proceedings of the stockholders and of the board of trustees and of the executive committee in books kept for that purpose. He shall give due notice of all meetings of the stockholders and of the board of trustees and of the executive committee.

He shall supervise the receipts of all moneys, and the issuing of vouchers or certificates therefor, and shall keep a record daily of all such receipts and vouchers or certificates. He shall examine and countersign all checks for the payment of money, except checks for dividends and coupons, which shall be signed by any two officers of the company, and no money-voucher or certificate, except as before provided, shall be issued from the office without his signature thereon.

He shall supervise the deposits of all money lodged daily in bank, and compare the entry thereof with the book on its return from the bank, and also with the record of the receipts of the day.

He shall have the custody, under the control and supervision of the President, or a Vice-President, of all securities lodged as collaterals for loans made by the company.

Section 9. He shall also have the supervision of the stock and bond ledgers, and the proper filling out, completion and delivery of all certificates of stocks, taking the proper vouchers therefor—also the payments of all dividends. He shall perform such other duties as may be assigned to him by the Vice-Presidents, President, executive committee, or board of trustees.

Section 10. The Assistant Secretaries shall assist the Secretary.

In the absence or disability of the Secretary, an Assistant Secretary shall have the powers and perform the duties of the office. The Assistant Secretaries shall perform such other duties as may be assigned to them by the Vice-Presidents, President, executive committee, or board of trustees. In case of the absence or disability of the Secretary and both Assist-

ant Secretaries, the President shall designate such trustee, officer or employee of the company as he may deem proper to act as Secretary *pro tempore*, with the like powers and duties.

Section 11. The Trust Officer shall give his special attention and supervision to the various trust accounts opened in the office, see that all entries of debits and credits are correctly made and properly registered, and all trust records properly made and kept. He shall have general charge of the transfers and registries of all stocks and bonds, the exchange of bonds, the payment of interest of all registered bonds and coupons paid at the office of the company. He shall countersign all trust checks issued, except coupon checks. He shall perform such other duties as may be assigned to him by the Vice-Presidents, President, executive committee, or board of trustees. In case of the absence or disability of the Trust Officer, the President shall designate such trustee, officer or employee of the company as he may deem proper to act as Trust Officer *pro tempore*, with the like powers and duties.

ARTICLE VIII.

Conduct of Business.

Section 1. No loan on bond and mortgage shall be made without the approval and concurrence of the President, and the executive committee, and in all cases of loans on bond and mortgage, except where the title is guaranteed by a corporation approved by the board of trustees, an abstract of title approved by the counsel of the company shall be deposited with the company.

All agreements or instruments of trust shall, when required by the President, be examined and approved by the counsel of the company before the acceptance or execution thereof.

Section 2. No loan shall be made to any member of the board of trustees or officer of the company.

Section 3. All moneys of the company, or under its charge, deposited in financial institutions designated by the executive committee, shall be deposited therein to the credit of the company by its corporate name.

Section 4. Every expense incurred or paid exceeding two hundred and fifty dollars shall be reported to the executive committee at its next meeting after the making of such obligation or disbursement.

Section 5. Certificates of money received on deposit, specifying the duration and terms of the deposit, shall be issued when required by the person making the deposit; but in such cases the money received shall, when due, be payable only on the production of the original certificate, or its substitute if the original be lost or destroyed.

All certificates of deposit previous to their being issued shall be registered in certificate books to be kept for that purpose, which books shall be prepared with sufficient stub-margins, in which each certificate shall be numbered, registered and described, and where all payments thereon shall be recorded; and all certificates when paid in full shall be cancelled, defaced and filed away.

Section 6. If any person shall apply for certificate of stock of the company, or a certificate of deposit, to be issued in lieu of one lost or destroyed, he shall make an affidavit of the facts and circumstances of the loss or destruction; he shall advertise in one or more daily public newspapers to be designated by the President, for the period of six weeks, twice in each week, an account of the loss or destruction, describing the certificate and calling upon all persons to show cause why a new certificate should not be issued in lieu of that lost or destroyed; and he shall file with the company his affidavits and the advertisement above required with proof of its due publication, and shall give to the company his bond of indemnity with one or more sureties satisfactory to the President, in double the amount of the certificate, against any damage that may arise from issuing a new certificate; whereupon the President may issue a new certificate of the same number and tenor as that said to be lost or destroyed, and specifying that it is in lieu thereof.

Section 7. No interest on any bond and mortgage to the company shall be allowed to remain overdue longer than thirty days without a foreclosure or suit being ordered by the President, unless a longer delay shall be directed by the executive committee. And it shall be the duty of the Secretary to notify the executive committee of any such default in payment of interest or principal of any loan on bond and mortgage.

Any other loan not paid at its maturity shall be reported by the Secretary to the executive committee at its meeting next following such default.

Section 8. Books of transfer shall be kept, in which all transfers of capital stock and of certificates of deposit, when assignable, shall be made and entered by the persons entitled to make such transfers, or by their attorneys; but no such transfer shall be permitted until the original certificate shall be surrendered and cancelled.

Section 9. The President or such other trustee as may be designated for the purpose by resolution of the board of trustees or of the executive committee may become a director or trustee in any corporation of which this company is a stockholder or creditor, for the purpose of representing therein the interests of this company.

ARTICLE IX.

Capital Stock.

Section 1. The interest or ownership of each shareholder of this company shall be evidenced by certificates of shares of the capital stock of the company. No certificate shall be valid unless signed by the President or one of the Vice-Presidents, and the Secretary or one of the Assistant Secretaries, and sealed with the company's seal.

Section 2. All such certificates shall be issued in consecutive order from the certificate book, and shall be numbered and registered in the order in which they are issued, and on the stub of each certificate issued shall be entered the name of the person owning the shares represented by such certificate, with the number of shares and the date thereof, and in case of cancellation the date of cancellation. A receipt for each certificate issued shall be duly signed on or attached to the stub of the certificate book, and all certificates exchanged or surrendered shall be cancelled and pasted in their original places in the certificate book, and no new certificate issued until the old certificate or certificates for the same number of shares shall have been surrendered and cancelled.

Section 3. Shares in the capital stock of the company shall be transferred only on the books of the company by the holder in person upon surrender and cancellation of certificates for a like number of shares, or by his attorney with like surrender and cancellation of such certificates with duly executed power to transfer, endorsed thereon or attached thereto.

Section 4. All certificates of stock issued by the company shall be countersigned by such bank or other institution as shall be from time to time designated by the executive committee as Registrar of Transfers, and no certificate of stock shall be binding upon the company or have any validity until so countersigned.

ARTICLE X.

Dividends and Closing of Transfer Books.

Section 1. The board of trustees may declare dividends from the net profits of the company whenever they shall deem it expedient.

Section 2. The transfer books of the company shall be closed for such length of time as the board of trustees may from time to time determine as necessary before the payment of dividends, and before meetings of the stockholders for elections.

ARTICLE XI.

Amendments to By-Laws.

No new by-laws shall be adopted, nor shall any alteration be made in the by-laws, except upon notice stating the proposed amendment given at a previous regular meeting of the board of trustees, or upon recommendation of the executive committee, and notice mailed to each trustee not less than five days in advance of any regular or special meeting of the board.

New Counterfeit $5 Silver Certificate—"Indian Head."—Series of 1899; check letter, B; J. W. Lyons, Register; Ellis H. Roberts, Treasurer. A poor lithographic imitation, printed on heavy paper. Red and blue ink lines are made to represent the silk fibre of the genuine. This counterfeit should be readily detected.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

CALIFORNIA BANKERS' ASSOCIATION.

The bankers of California held their eleventh annual convention at Los Angeles May 19, 20 and 21. H. S. McKee, Vice-President of the Los Angeles Trust Co., made the address of welcome, and J. D. Radford, President of the First National Bank, San Jose, responded.

President James K. Lynch, of the First National Bank, San Francisco, in his annual address briefly reviewed the history of banking in California. Speaking of matters of present interest to bankers, he said :

"The loaning of funds in the community where a bank is situated is certainly the wisest as well as the safest course, and no banker has a right to go beyond his own community until he has supplied its needs. There are undoubtedly cases where funds accumulate beyond the capacity of the local field to absorb them, and then the banker is justified in seeking a foreign outlet. The offering of commercial paper by brokers affords such an outlet, but the experience of those who have invested has not been fortunate. The difficulty of obtaining correct information about concerns located at a distance is great, and much has to be trusted to the broker. Under proper conditions the investment in such paper would widen the field for lender and borrower, and be a real benefit to both. The work being done by the creditmen of the country should soon make this possible. For the present, if handled at all, it must be with great caution.

As profits deline, the effort to prevent losses must be greater, and every means of examination made to determine the solvency of an applicant for credit. It is gratifying to see that the banks are freely exchanging information and opinions regarding their customers, and that the haphazard method of taking things on trust is becoming out of date. No bank should be without, at least, the beginning of a credit department, where information can be properly arranged and filed. The credit man is the coming man in the modern bank.

With the reduced earnings from lower interest rates, it has been suggested that we should in time come to the English system of charging for all services rendered, and paying for balances. Although there is much to be said in favor of this method from a theoretical standpoint, it is doubtful if it would work in practice, and the multiplication of charges would be exasperating to the average American. Besides, it would appear that the English are abandoning or at least greatly modifying their rules in this respect, and so approaching more nearly to our practice.

More attention should, however, be paid to the analysis of accounts, and as soon as it appears that an account is producing a loss, or not producing a fair profit, it should be put on a better basis or closed. It is well to remember that in getting rid of a non-paying account, we are not losing anything, our competitor who takes the account is making the loss. It is interesting to note in this connection, that at least one Chicago bank is making a regular monthly charge to customers whose accounts involve more trouble than their balances justify, is collecting the charges, and is not losing the business.

The paying of interest on balances is a subject that has been much discussed, and widely different opinions have been presented with equal skill on both sides of the question. The payment of a moderate rate of interest on the balances of interior banks has become the practice, and will probably persist. The advantages are, that funds that would otherwise remain idle in the vaults, are made productive at some point where they can be used, and the resulting profit is divided between both parties to the transaction. The danger lies in the tendency to keep money employed somehow when we are paying for it. The remedy must be found in limiting the balances, or in ceasing the payment entirely when the opportunity for safe investment does not exist.

The payment of interest on individual accounts is hardly a function of the commercial bank, and will be left to those institutions that are protected by agreement with their depos-

itors, and can therefore afford to place their funds in safe and fixed investments. On the other hand, the bank that is paying interest on such accounts, no matter what the name under which it is operating, will be wise if it does not meddle with commercial business.

The problem of the country check has been before us for many years; it has been much written upon, and many solutions have been attempted, but the one thing that is evident is that it cannot be suppressed, and the reason is that it fills a real need and makes for commercial freedom. You bankers of Los Angeles have arrived at an agreement regarding your customers' checks which seems to be satisfactory and certainly has been faithfully carried out. Yet we see intimations that the similar rule enforced by the New York Clearing-House has been the means of driving much valuable business from that city, business which will be missed, now that the banks have descended from the lofty realms of finance to plain banking. Certainly, Philadelphia, Chicago and St. Louis have been quick to take advantage of the somewhat arbitrary restrictions placed on the circulation of interior checks. The real question is: who shall bear the cost of circulating checks? At present, in most cases, it is divided between the city merchant and his banker, in proportions varying with the value of the merchants' account. Within certain limits the country check is a convenience to the customer, and is not a source of expense to the bank, it is only where it is circulated at great

A. H. R. Schmidt,
President California Bankers' Association.
(Cashier German Savings and Loan Society, San Francisco.)

R. M. Welch,
Secretary California Bankers' Association.
(Asst. Cashier San Francisco Savings Union.)

distances from home and against the course of exchange that it becomes a nuisance. With the increase of postal facilities and the cheapening of express rates, the area in which checks may be circulated will be enlarged, and eventually a system of par points will be devised which will be equitable to the banks. When this time has come, the petty charges imposed on check circulation may well be removed, and the banks will profit through larger balances and the removal of a never-ending source of controversy.

Even when this millennial state has arrived there will remain a field for exchange operations, in the transfer of balances to the points where funds are most in demand, by mail or wire, which should afford a legitimate profit. It is to be hoped that by that time the banks will have recovered from the post office and the express companies the money order business which has been carried on through their assistance and at their expense.

Foreign exchange, and the issuance of travelers' and merchandise credits, should continue to produce profit, and are subjects that can be developed by intelligent effort.

To sum up, after the manner of the weather forecaster:

Low but steady rates of interest will prevail, the lower rate being offset by the larger volume of business.

Regulations restrictive of trade will disappear, the effect being to increase balances and the number of depositors.

Exchange operations will continue, and will be profitable.

Leaving the past, which is gone from us, and the future, which may never come to us, we have the present, the one thing that is sure. And with the present we have good reason to be satisfied. The falling off in business which was foreshadowed at our last meeting has come, but is neither excessive nor likely to be of long duration. The rain has fallen on the just and the unjust in such quantities as to give the promise of a plentiful harvest, and with good crops California is never very far wrong. We are approaching a Presidential campaign, but without any feeling of popular distrust or anxiety."

J. A. Graves, of the Farmers and Merchants' National Bank, Los Angeles, described the "Moral Duties and Obligations of Bankers." Regarding the undue solicitation of business, he said:

"The banker owes it to his stockholders to take all legitimate and honorable means to develop and increase the business of his bank. He receives his salary for services rendered by him. He is not expected to descend to the level of the commercial traveler, or the dealer in second-hand clothing, and personally solicit business. He should remember that his calling is a dignified one; that increase in business is not to be sought by abusing his competitors, or by seeking to obtain accounts from other banks by any underhanded or dishonorable action. He should endeavor to do business in such a manner as to so please his own customers that they will all become active co-operators with the bank's officials in swelling its business. The most unsafe customer a bank can have is the personally solicited customer, the man who has been invited by the bank to borrow its money. Such a customer thinks the bank is under obligations to him, and is generally insulted when requested to discharge his obligations, and becomes an enemy instead of a friend. The man with money, in selecting a bank to do business with, looks to its security, to his chances, no matter what happens, of getting his money when he wants it. The man without money, in selecting a bank, calculates on obtaining the largest possible accommodation on the smallest possible security. As there are many people in the world who appear to have, or who have the reputation of having wealth when they do not have it, the danger of soliciting business is readily apparent."

At the second day's session W. C. Patterson, President of the Los Angeles National Bank, spoke on "Financial Futilities." In the course of his address he strongly condemned overdrafts, and said that there is scarcely any more reason why a customer should make an overdraft than that he should check against the account of another depositor.

Lovell White discussed the "Taxation of Mortgages as Affecting Rates of Interest," and spoke in part as follows:

"The constitution and statutes of this State require that taxes on real estate subject to mortgage shall be paid by two distinct parties, the one the mortgagee, the other the mortgagor.

This requirement was made in the fancied interest of the debtor, it being supposed that it would transfer a part of his burden of taxation to the creditor.

While the requirement has no such effect, it may well be allowed to remain the law, for it recognizes, although in a roundabout way, that the taxation of the mortgage to the mortgagee and of the material property covered thereby without deduction to the mortgagor, is double taxation.

Two distinct assessments to cover one and the same property, and the collection of taxes thereon nominally at least from two separate parties, involves needless expense to counties, municipalities and individuals, but the waste may be tolerated in view of the protection afforded against the twice taxing of one and the same value. This safeguard being removed, history would undoubtedly repeat itself by the debtor being taxed for the value of the real estate, while attempts would be made to tax the creditor for the amount (or value) of his mortgage as a solvent credit.

Had the framers of the constitution stopped with the requirement as above, they would have builded wiser than they knew and their work would have been a subject for congratulation: but possessed by the idea common to lawmakers that natural laws of business in force and operation from the beginning of civilization can be controlled or set aside by legislative enactment, they proceeded to say (Art. XIII, Sec. 5 of the Constitution):

'Every contract hereafter made, by which a debtor is obligated to pay any tax or assessment on money loaned, or on any mortgage, deed or trust, or other lien, shall, as to any interest specified therein, and as to such tax or assessment, be null and void.'

In theory and form this provision has been respected; in fact and in practice it has been totally ignored and disregarded.

When a negotiation is pending for a loan on real estate the parties first come to an understanding, avoiding the term agreement, as to a net rate of interest the lender shall realize; to such rate is then added the expected rate of taxation plus one per cent., or a considerable portion thereof, to cover cost and trouble of listing the loan to an assessor and paying a tax thereon to a tax collector, the aggregate being the rate of interest for the borrower to pay. There is little or no attempt at disguise in this matter: every intelligent borrower understands full well that, in form of increased interest, he pays the tax on his mortgage plus a percentage to compensate for the useless expense and labor imposed by the constitution and statutes upon the lender.

Experienced borrowers as well as lenders denounce the provision of the constitution above quoted; they say it is useless, mischievous, an impediment and a creator of friction; useless because it neither protects nor benefits mortgagor or mortgagee, mischievous because its constant violation generates disregard of even righteous laws, an impediment because it keeps many capitalists out of the mortgage field when seeking investments, a creator of friction because it introduces complex machinery into the simple every-day transactions of the business world."

JOHN T. DISMUKES,
Retiring President Florida Bankers' Association.

Following are the new officers of the California Bankers' Association:

President, A. H. R. Schmidt, Cashier German Savings and Loan Society, San Francisco.

Vice-President, Frank Miller, Sacramento.

Treasurer, G. W. Kline, Cashier Crocker-Woolworth National Bank, San Francisco.

Secretary, R. M. Welch, Assistant Cashier San Francisco Savings Union.

FLORIDA BANKERS' ASSOCIATION.

The eleventh annual convention of the Florida Bankers' Association was held at the Continental Hotel, Atlantic Beach, June 14. Captain C. E. Garner made the address of welcome, and Dr. E. S. Crill responded.

President John T. Dismukes, President of the First National Bank, St. Augustine, delivered an interesting address on the responsibilities of banks forwarding items for collection. He pointed out the conflicting legal decisions, and favored the enactment of a law clearly defining the liability of transmitting and intermediate banks.

G. W. Saxon, President of the Capital City Bank, Tallahassee, read a paper on "Recovery on Forged Checks," dealing especially with the duties of depositors to examine returned vouchers.

Col. Robert J. Lowry, President of the Lowry Banking Company, Atlanta, read an interesting paper, and reports were presented by several committees. In the evening there was a banquet.

The following are the new officers:

Henry Robinson, President Commercial Bank of Jacksonville, President.

George D. Munroe, Cashier Quincy State Bank, first vice-president.

E. C. Rumph, Cashier First National Bank, Miami, second vice president.

A. C. Clews, President Exchange National Bank, Tampa, third vice-president.

G. R. De Saussure, Cashier National Bank of Jacksonville, secretary.

Executive committee—E. W. Lane, President Atlantic National Bank of Jacksonville; B. H. Barnett, President National Bank of Jacksonville, and E. S. Crill, President East Florida Savings and Trust Company, Palatka.

Delegates to the American Bankers' Association, to convene in New York—J. T. Dismukes, President First National Bank of St. Augustine; alternate, E. W. Lane.

INDIAN TERRITORY BANKERS' ASSOCIATION.

The bankers of Indian Territory met in annual convention at Sulphur, May 10 and 11. T. E. Gafford made the address of welcome and A. D. Kennedy, Cashier

FRANK CRAIG,
President Indian Ter. Bankers' Association.
(Cashier City National Bank, So. McAlester.)

N. T. GILBERT,
Secretary Indian Ter. Bankers' Association.
(Cashier Bank of Commerce, Wetumka, I.T.)

of the Bank of Commerce, Okmulgee, responded. J. L. Dabbs, President of the First National Bank, Muskogee, delivered his annual address as president of the association. He gave the following facts relating to banking in the Territory:

"The latest available statistics show that there are doing business in the Indian Territory at present 100 National banks with a capital, surplus and undivided profits of about $6,000,000, and with deposits of about $9,000,000; like statistics show that one year ago we had seventy-four National banks, with a capital, surplus and undivided profits of about $4,000,000, and with deposits of about $7,000,000.

We have doing business in Indian Territory at present 232 banks, including National, private and incorporated, with a capital, surplus and undivided profits of about $9,000,000, and deposits of over $12,000,000, showing an increase of seventy-three banks organized during the past year, of which twenty-six were National and forty-seven private and incorporated.

We have more National banks than either Missouri, California, Michigan, or Kentucky, and more than the four States of Arkansas, Mississippi, Delaware and Oregon combined.

We have had only one National bank to be placed in the hands of a Receiver during the past year, and I am glad to state that this is the first and only instance of a National bank closing its doors in the Indian Territory, and this period covers about thirteen years, when the National Banking Act was applied in the Indian Territory."

Addresses were delivered by J. A. Lewis, Cashier National Bank of Commerce, St. Louis; by Frank Craig, Cashier City National Bank, South McAlester, on "Signs of the Times in the Indian Territory;" by Geo. A. Murphy, Attorney, of Muskogee, on "Commercial Paper;" by J. W. McNeal, of the Bank of Commerce, Guthrie, Okla.; by Robert L. Owen, of Muskogee, on "Panics and Their Remedy;" by T. W. Slack, Cashier Stockyards National Bank, Fort Worth, Tex.; by Stephen Brown, Cashier Bank of Rush Springs, on "Uniform Bank Money Orders;" by F. R. Hedrick, Cashier First National Bank, Madill, on "Bank Advertising," and by W. E. Rowsey, Treasurer of the Territorial Bank and Trust Co., Muskogee, on "Real Estate Loans."

IOWA BANKERS' ASSOCIATION.

The eighteenth annual meeting of the Iowa Bankers' Association was held at Our Circle Hall, Des Moines, June 15 and 16.

After prayer by Rev. J. Everist Cathell, of St. Paul's Rectory, the address of welcome was delivered by Hon. J. A. T. Hull, and Hon. J. T. Brooks, Vice-President of the First National Bank, Hedrick, replied.

L. F. Potter, President of the First National Bank, Harlan, then delivered the president's annual address, describing the work done in the past year and explaining the benefits the association had conferred on its members. He thought in view of the occasional failures of banks and the distrust of other banks thereby engendered, that it would be well to consider the practicability of devising some plan for insuring bank depositors. While fully realizing the objections to a proposal of this sort, he thought they were more than counterbalanced by the advantages to be had.

L. F. POTTER,
Retiring President Iowa Bankers' Association.
(President First Nat. Bank, Harlan, Iowa.)

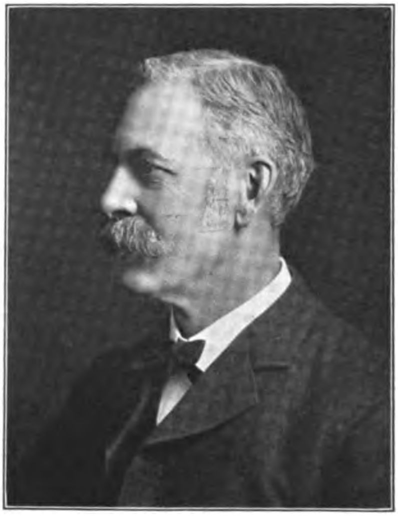
D. H. McKee, Cashier of the Citizens' State Bank, Mediapolis, read his report as treasurer of the association. It showed the receipts—including $4,243.48 balance on hand from last year — to have been $7,653.48, and expenditures $4,862.38, leaving $2,791.10 on hand.

Secretary J. M. Dinwiddie, Cashier of the Cedar Rapids Savings Bank, reported a membership of 850, compared with 700 at last year's convention. The part of the report dealing with the protective work was especially interesting, and showed that the Iowa Bankers' Association is an exceedingly live organization. Mr. Dinwiddie writes to the MAGAZINE that the membership is now 865, and that it is proposed to add 200 members by the next meeting. Mr. Dinwiddie has been secretary of the Iowa Bankers' Association for many years, and was not only unanimously re-elected at this year's convention, but had his salary raised from $500 to $1,200 a year.

Reports were presented from the chairman of the sixteen groups into which the State is divided, and they exhibited general interest and activity.

President Potter was, on motion, named as delegate to the convention of the American Bankers' Association, to be held in New York, September 14, 15 and 16, with power to appoint the other delegates.

Hon. Walter I. Smith spoke on the topic, "Should the Silver Dollar be Redeemable in Gold?" He estimated that this would add about $664,000,000 of gold demand obligations to the burden already carried by the Treasury, and inasmuch as the silver dollars now circulated at par, he thought a law making them redeemable in gold was unnecessary. But he believed that should the silver dollar be at a discount,



ACKLEY HUBBARD,
President Iowa Bankers' Association.

(Cashier Citizens' National Bank, Spencer, Iowa.)

J. M. DINWIDDIE,
Secretary Iowa Bankers' Association.

(Cashier Cedar Rapids Savings Bank, Cedar Rapids, Iowa.)

and there is no other means to restore the parity, then it would be every man's duty to vote to make the silver dollar redeemable in gold.

E. D. Huxford, Vice-President of the Citizens' Savings Bank, Quimby, gave an interesting account of how that bank was robbed by burglars some time ago, and how the robbers were captured and the money and securities recovered.

One of the captured burglars expressed contempt for the supposed protection of safes and vaults, and said that a live man with a gun was about the only real obstacle in the burglar's path. One of the prisoners became sarcastic, and claimed that all of the bad men were not engaged in the burglary business. He recalled that in the operations of his gang on a small bank in Nebraska they secured between ten and twelve dollars, while the Cashier of the institution collected from the burglary insurance company $3,000 for the loss!

Resolutions were adopted at the second day's session favoring some plan of insuring bank deposits, recommending the appointment of a committee to investigate the methods of providing burglary and fidelity insurance as practiced by the bankers' associations in Missouri and other States, also favoring the repeal of the National Bankruptcy Act. The thanks of the convention were tendered to Mr. Hull and Mr. Smith for their interesting and instructive addresses; also to President Potter and Secretary Dinwiddie for their untiring and faithful labors.

Reports were made by the committees appointed to investigate bank money orders, also in reference to making some provision, by united effort, for cleaning and adjusting time-locks more economically than is now possible.

On motion of Secretary J. M. Dinwiddie, the convention by a rising vote expressed sympathy with those who had suffered through the disaster to the steamer General Slocum in New York Harbor.

A report of the trustees of the John Sundblad Fund showed that after paying off a mortgage and mechanics lien and after paying $1,000 to Mrs. Sundblad, $3,400 had been invested in mortgages, which with the cash balance on hand, showed a total of $5,154.35 as the total amount of the fund. This fund was raised by the bankers of Iowa to show their appreciation of Mr. Sundblad's fidelity in defending a bank's funds from attack by burglars, and losing his life in the discharge of his duty.

The following officers were elected: President, Ackley Hubbard, Cashier Citizens' National Bank, Spencer; vice-president, D. H. McKee, Cashier Citizens' State Bank, Mediapolis; treasurer, John J. Large, Cashier First National Bank, Rock Valley; secretary, J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank; delegates to convention of American Bankers' Association, L. F. Potter, President First National Bank, Harlan; Homer A. Miller, Cashier Des Moines Savings Bank; C. B. Mills, Cashier People's Trust and Savings Bank, Clinton; D. L. Heinsheimer, President Mills County National Bank, Glenwood; Lyman Edwards, Burlington; Ralph Van Vechten, Cashier Cedar Rapids National Bank; Arthur Reynolds, President Des Moines National Bank; D. H. McKee, Cashier Citizens' State Bank, Mediapolis; E. D. Huxford, Cashier Cherokee State Bank; Ackley Hubbard, Cashier Citizens' National Bank, Spencer; J. T. Brooks, Vice-President First National Bank, Hedrick; J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank; L. E. Stevens, Cashier Ottumwa National Bank; Ernest E. Hart, President First National Bank, Council Bluffs; S. J. Patterson, Cashier Dunlap State Bank; Cark Keck, Washington; John McHugh, Cashier Iowa State National Bank, Sioux City.

KANSAS BANKERS' ASSOCIATION.

The seventeenth annual convention of the Kansas Bankers' Association was held at Wichita May 17, 18 and 19, the first day being devoted chiefly to receiving the visiting bankers.

President Geo. W. McKnight, of the First National Bank, Junction City, called the meeting to order on May 18, and an address of welcome was made by H. W. Lewis, Cashier of the State Savings Bank, Wichita, the response being made by John W. Breidenthal, Vice-President of the Banking Trust Co., Kansas City, Kansas.

President McKnight then delivered his annual address, reviewing banking and business conditions throughout the State, also the work of the association. He declared in favor of exempting money, as well as notes and other evidences of indebtedness, from taxation.

The report of the secretary showed the following: There are in Kansas 510 State, 152 National and twenty-six private banks, and one trust company, a total of 689; of these, 566 are members of the association, leaving only 123 not members. To these 566 Kansas banks must be added fifteen members from Kansas City and St. Joseph, Mo., and twenty-four associate members from central reserve cities, making the total membership 605, a gain of ninety-one this year, 220 in two years, 290 in three years, 305 in four years, 422 in five years and 503 in six years. In 1898 only 102 banks were members; now only 123 are non-members. During the year successful meetings have been held by all the groups with an aggregate attendance of about 400. There has been a large gain in the fidelity, burglary and other insurance negotiated through the association.

Treasurer McDonald's report exhibited a strong financial statement, the rebeing $5,154.37 cash on hand.

A. C. Jobes, President of the National Bank of Commerce, Wichita, spoke on "Cleaner Paper Money" and "Proper Collateral for Government Deposits." P. W. Goebel, President of the Commercial National Bank, Kansas City, Kansas, spoke on "Laws Needed and How to Get Them in 1905."

The following instructive address was delivered by Miss Marie Meyer, of the First National Bank, Hutchinson:

NEATNESS AND SYSTEM IN THE OFFICE.—ADDRESS OF MISS MARIE MEYER, OF THE FIRST NATIONAL BANK, HUTCHINSON, KANSAS.

"The assignment of this subject is, I suppose, an indirect compliment to the women who to-day occupy positions of trust in offices and banks. It is a kindly acknowledgment of the refining and culturing influence of woman's presence, for there can be no doubt that where she is courtesy and good taste order themselves unconsciously. In the light of the old proverb, however, to the effect that 'Woman's work is never done,' we may have to confess that both lack of neatness and the absence of system are often the cause of her unfinished tasks and routine drudgery.

J. B. ADAMS,
President Kansas Bankers' Association.
(Cas. Citizens' State Bank, El Dorado, Kans.)

W. W. BOWMAN,
Secretary Kansas Bankers' Association.
(Cashier First Nat. Bank, Concordia, Kans.)

No person and no sex has a monopoly in system and neatness either inside or outside the office. It has been truly said that 'Genius is the art of taking pains,' and no bank or bank clerk can attain to habits of accuracy and orderliness without the expenditure of labor and energy. The person who has the enviable genius for thoroughness and systematic neatness inherited it not by birth, but through strenuous endeavor. System, of course, must come before neatness. To be unsystematic and yet neat is to be clever in foolishness. For the saving of time and labor a uniform and complete method is absolutely essential. Especially is this so where there is an ever-increasing volume of business. But even the smaller banks with little capital and a somewhat contracted business are in need of a flexible and comprehensive system if they are to meet the demands of the expected increasing depositors. The bank with an ever-enlarging constituency must of necessity secure system at all costs. We have read of a bank where should a single error occur in any part of a day's work it would take four days to completely recheck the work. Such a bank was, however, in possession of a system so complete and accurate that for nine months no mistake had occurred.

System is a great time and labor-saver. One of our great writers has truly said, 'When a

regiment is under march, the rear is often thrown into confusion because the front does not move steadily and without interruption.' It is the same with business. If that which is first in hand be not instantly, steadily and regularly dispatched, other things accumulate behind, till affairs begin to press all at once and no human brain can stand the confusion. Working at unreasonable hours is of itself a challenge to the system in use.

The system most commendable is the one which is most simple and which produces the best results. It must be flexible so that as new methods are discovered they can be incorporated without disturbing the general system. Men are making money easier and quicker than was done fifty years ago, and it is necessary that money should be more easily and quickly handled. That better methods are always possible is recognized by all progressive business concerns. The methods of a generation gone will not do for to-day.

But whatever system is in vogue in the several banks, it is the first duty of the clerk to master completely all the details and make himself proficient therein. To be a slave to any system is to be in bondage, but to be master of a system, especially if it be an adequate system, is liberty. There are other things about the office to which system ought to be applied besides the books, such as the order of duties to be performed, the punctuality in beginning and in completing the day's work, and other minor matters which will readily suggest themselves to all interested in the bank's success.

The necessity of neatness cannot be too strongly urged. Let an office be neat and tastefully appointed, and it will be a pleasure to work in it, and a delight to frequent it. One cannot draw the line between neatness and accuracy. The lack of neatness will eventually issue in errors and mistakes. To be careless and indifferent as to the entry made is to be careless and thoughtless of the figures and facts which constitute the entry. Perhaps it is too late to begin the habit of neatness when one enters the work of the bank. These are habits which should be learned in the home and in the school, and those of us who have been so fortunate as to have had in the past some hard and iron-clad teacher or professor who demanded that the work should not only be done accurately, but neatly, cannot be too thankful. The virtue, once acquired, is not easily lost, and in the securing of it, no price is too dear. The old song runs:

> 'If I were a cobbler, it would be my pride
> The best of all cobblers to be;
> If I were a tinker, no tinker beside
> Should mend an old kettle like me.'

And the clerk who can keep the books and follow the system assigned to him a little better than anyone else, if it be just a little neater, so surely has that clerk taken an advance step towards future preferment. All bad work is wicked, and work that has to be done deserves to be done well. Not perhaps so much for the sake of the books and the pages and the papers, but for the sake of the future of the person who does the work. Carelessness, thoughtlessness, indifference and slip-shod work have been the cause of more failures than the world knows.

Anyone who is watching the signs of the times in business must be impressed with the growing sentiment for orderly and beautifully-arranged stores, shop, halls and offices. These people are quick to discern the attractive window or the corner arranged for their comfort. Clean, fresh paper upon the desks, pens frequently renewed, ink that shows it has not stood long in the using—all these are small things, perhaps, but not small if what the 'Sage of Concord' has said be true, that 'If a man can write a better book, preach a better sermon, or make a better mouse-trap than his neighbor, though he build his house in the woods, the world will make a beaten path to his door.'"

Other addresses were: "Shall National Banks be Permitted to Loan on Real Estate Security?" by James T. Bradley, Cashier First National Bank, Sedan; "Credits," by Frank W. Yale, President St. Joseph (Mo.) Credit Men's Association, and "Needed Reforms for State Banks," by Morton Albaugh, State Bank Commissioner. He analyzed the provisions of the banking law of Kansas, and in concluding his address said that in nearly four years there had been but four bank failures in the State, with a total loss to depositors and stockholders not exceeding $100,000, out of a total bank capitalization of almost $19,000,000 and deposits of over $100,000,000. He said: "It is to the credit of the banking fraternity of Kansas that its members have been loudest and foremost in their condemnation of the criminal acts that have led to these failures, and these instances are cited at this time to emphasize the honesty, capacity and judgment of the management of the banks of Kansas, as a whole."

Other addresses were: "The Banker as a Collector," by J. D. Joseph, Assistant Cashier Bank of Whitewater; "The Currency," by Hon. W. A. Calderhead, of Marysville, member of Congress from the Fifth District; Our Foreign Trade," by H. P. Hilliard, Vice-President and Cashier Mechanics' National Bank, St. Louis. John R. Mulvane, President of the Bank of Topeka, gave an interesting historical sketch of banking in Kansas. C. Q. Chandler, President of the Citizens' State Bank, Medicine Lodge, spoke on "Our Silent Partners," and O. L. Benton, Vice-President of the Oberlin National Bank, described the present status of cattle paper. W. W. Bowman, Cashier of the First National Bank, Concordia, made an earnest plea for sound banking methods. Addresses were also made by J. W. Marley, Cashier of the Oswego State Bank, on "Bank Forgers;" by John T. Denton, President of the Grenola State Bank, on "The Country Banker;" on "Asset Currency and Branch Banks," by W. C. Robinson, President First National Bank, Winfield; "The Outlook," by Hon. P. I. Bonebrake, President Central National Bank, Topeka.

The following officers were chosen: President, J. B. Adams, Cashier Citizens' State Bank, El Dorado; vice-president, C. L. Brokaw, Cashier Commercial National Bank, Kansas City; secretary, W. W. Bowman, Cashier First National Bank, Concordia; treasurer, C. F. Henson, Cashier People's National Bank, Paola.

A banquet given by the bankers of Wichita was a brilliant feature of the convention. The speakers were: E. R. Moses, Great Bend; E. F. Swinney, vice-president of the American Bankers' Association and President of the First National Bank, Kansas City, Mo.; W. O. Jones, Assistant Cashier National Park Bank, New York; F. P. Neal, Vice-President Union National Bank of Kansas City, Mo.; Judge H. C. Sluss, of Wichita; Rev. R. E. L. Jarvis, Ph. D., and Rev. C. S. Sargent, D.D., of Wichita.

LOUISIANA BANKERS' ASSOCIATION.

There was a good attendance of the bankers of the State at the annual convention of the Louisiana Bankers' Association held at Baton Rogue May 25 and 26. T. Sambola Jones welcomed the convention to the Capital City, and R. N. Sims, Vice-President of the People's Bank, of Donaldsonville, responded for the association.

President C. H. Culbertson, Vice-President and Cashier of the State National Bank, New Orleans, delivered his annual address in which he referred to the prosperity of the State and the growth in membership and interest in the State Bankers' Association. Comparing the statements of the State and National banks of Louisiana for March, 1903, and March, 1904, he showed that there had been an increase of sixteen in the number of banks, while the capital had gained $979,871, surplus and undivided profits $1,559,225 and deposits $16,111,987. This represents a gain of about fifteen per cent. in capital, twenty per cent. in surplus and profits, and about thirty per cent. in deposits.

Secretary L. O. Broussard, Cashier of the Bank of Abbeville, presented his annual report. It showed a present membership of 180—an increase of nineteen since last year's convention. He presented statistics showing the growth of banking in Louisiana from which it appears that in 1902 the aggregate resources of the State and National banks were $81,539,475.05, while in 1904 they were $118,572,552.39—an increase of $37,033,077.34, or forty-six per cent.

L. E. Thomas, State Examiner of State Banks, delivered an interesting address on "The Successful Banker from an Examiner's Standpoint." Hon. W. S. Parkerson, of New Orleans, spoke on "The Keystone," and presented a strong plea for greater interest in the elections on the part of bankers. Hon. Charles F. Buck, of

New Orleans, made an address on the topic, "Banks and Bankers—Their Relation to the Public." The concluding portion of his address was as follows:

"That the banks doing business in the State of Louisiana have been renowned and honored in the history of finance throughout the country is only a confirmation of the fact of their success and that success was eminently present in the progress of the last few years which has raised our dear southern metropolis at a bound to the dignity and importance of a great financial center, attests the ability of the men of the South engaged in this most important branch of business, as well as the confidence which they have built up in the hearts of our people in their common honesty, intelligence and good judgment.

One other point of the relation of banks to the public suggests itself to me which may be worth considering.

I may assume that the objects of this convention, indeed, of the association of the bankers of Louisiana, embraces a field of education.

This is an age of education; the public is constantly told that it is being educated about

D. M. REYMOND,
President Louisiana Bankers' Association.

(President First National Bank, Baton Rouge, La.)

L. O. BROUSSARD,
Secretary Louisiana Bankers' Association.

(Cashier Bank of Abbeville, Abbeville, La.)

something. We have it in the morning papers, on the advertising boards, in street pageants, in forms more or less picturesque. We have on hand campaigns of education of every conceivable scope. I would have to speak an hour yet to merely name them all. Let me mention a few. There are the moral and social reform campaigns of education; the women's rights campaigns; political campaigns are all campaigns of education; the good people must be made to know what is good for them; there are the race problem campaigns; the "higher" and other kinds of education campaigns; the sympathetic campaigns of "the willing workers" and all that sort of thing, all more or less sincere, all more or less well intended, many of them, however, I fear, more or less tinged with hypocrisy and humbug.

Now, let us see whether into this Babel of educational schemes we cannot interject or add another which may have the advantage, if, indeed, the sympathetic humanitarian will admit it to be an advantage, of benefiting pecuniarly the individual who may be convinced by our educational propaganda.

All this aside, however, what I want to say is, the banking institutions in our State, by their methods of business and profiting by the growing confidence of the people, should educate them to the fact that the responsible bank is a safer custodian for their little accumulation than the old woman's stocking or the hole in the chimney.

The regular commercial banks, great financial institutions, make no effort to reach this class of people. The Savings banks do so, but till now with only partial success. The amount

of current money thus kept out of circulation and hidden from use through lack of confidence in banks or ignorance of business methods must be enormous.

In 1871, at the close of a disastrous war, France needed five thousand millions of francs as war indemnity to be paid to the victor. She was anxious to avoid making foreign loans; she called on her own people and the hidden treasures of the farmer and peasant were disclosed and France paid this immense sum in less time than the stipulations of the treaty required, without a ripple of disturbance to her financial integrity and without borrowing a franc from a foreign country.

Similar conditions no doubt exist here. Everywhere there are many men not only among the poorer classes or the working men, but even in the middle classes, real estate owners, men engaged in retail business and the like who, to this day, in this enlightened age, do not believe in banks. They think they are better able to take care of their own, they pretend to lack of faith, but their want of confidence is in reality their ignorance.

Now, here is a field for a campaign of education. It should not be difficult in these days of rapid movement to convince every man who has a surplus, be it ever so small, that the vaults of the bank, whether it be the Savings bank to which he brings it as investment, or the bank of deposit, which assumes only the obligation of the custodian, the safest places for his money, far safer than the frail custody of ordinary surroundings. He would doubtless escape the unrest incident to the fear of loss from common causes, such as conflagration or robbery.

They should be reasoned out of the common folly, which tempts cupidity and induces crime, not to mention losses by accidents, absent-mindedness or other causes. A few days ago the newspapers reported the case of an old lady who inadvertently sent a pillow slip containing $400 to her washerwoman. Of course, the money was lost. A few months ago an old man serving as a private policeman while on his watch in the broad daylight was knocked senseless and robbed of something like $250—no doubt the savings of many months labor, which he carried in his underwear on his breast. Somehow this fact must have been known and tempted criminals to rob—if necessary to murder. Instances are common and the records of criminal courts teem with them of murders and assassinations committed on old people who were known to have, or were suspected to have, money secreted on their persons or in their homes.

In this enlightened age, with all its manifold facilities for better methods, these things should not be. I am not presuming to venture a suggestion to this convention or through it to the institutions which they represent: I am not suggesting or advocating methods of doing business; I am only speaking in the abstract of conditions which seem worthy of consideration.

The modern bank, whether it be the general commercial bank of deposit and exchange or the Savings bank, which especially appeals to the people of small means by reason of the nature of its business ways, the laws and usages regulating its management, its power and strength which form a link in an unbroken and unseverable chain that binds the financial world into a unity for maintenance and purpose, and should be entitled to the absolute confidence of the community; its service for the benefit of all should be accepted by all. The ignorant should be enlightened, the suspicious shamed out of their fears and the incredulous lifted up to the virtues of confidence and belief.

The banks—and let us speak of the banks of Louisiana—have achieved much already in this direction. This is attested by the increase in banking capital and deposits.

Let the campaign of education go on; every dollar of accumulation not immediately needed or invested should find its natural way to the bank. There, while safe at all times to answer the call of its owner, it acquires motion and validity. It becomes a living force, a conquering energy for the good of all in the march of progress and the battle for prosperity.

Then will be universal the confidence of the people in their banks and the intimate relation between banks and the public will be so well understood that in the safety and success of the banking business the masses at large will recognize the most certain and definite guarantee for their own prosperity."

New officers of the association were chosen as follows:

President, D. M. Reymond, President First National Bank, Baton Rouge.

Vice President, Samuel McC. Lawrason, President Bank of West Feliciana, St. Francisville.

Secretary, L. O. Broussard, Cashier Bank of Abbeville.

Treasurer, John E. Bouden, Jr., Vice-President Morgan State Bank, New Orleans.

Executive Council.—G. W. Bolton, chairman; H. C. Drew, H. H. Youree, J. H. Fulton, R. N. Sims, C. H. Culbertson and J. J. Gannon.

Legislative Committee.—E. T. Merrick, chairman; G. W. Bolton, R. E. Craig, W. J. Knox and William Winter.

Delegates to Convention of American Bankers' Association.—G. W. Bolton and I. M. Lichtenstein. Alternates, O. L. Renaudet, S. V. Fornaris, L. O. Broussard and W. F. Dillon.

A pleasing feature incident to the convention was the banquet at the Istrouma Hotel, which was attended by the bankers, Gov. Blanchard and a number of other State officers. Among the speakers were Governor Blanchard, President D. M. Reymond, Prof. J. W. Nicholson, J. H. Fulton, Manager Commercial National Bank, New Orleans; E. R. Bernstein, Shreveport; G. W. Bolton, President Rapides Bank, Alexandria; J. W. Gardiner, Assistant Cashier Calcasieu National Bank, Lake Charles.

MISSOURI BANKERS' ASSOCIATION.

The fourteenth annual convention of the Missouri Bankers' Association was held at St. Louis, May 24, 25 and 26.

H. M. RUBEY,
President Missouri Bankers' Association.
(Cashier State Exchange Bank, Macon, Mo.)

Walker Hill, President of the American Exchange Bank, delivered the address of welcome on behalf of the St. Louis Clearing-House Association, and Gov. Dockery welcomed the bankers to the State. J. R. Dominick, President of the Traders' Bank, Kansas City, responded. President J. S. Calfee then delivered his annual address, in which the work of the association for the past year was reviewed. Effective work has been done in securing a reduction of bank taxation, although the banks are still greatly overtaxed. The fidelity and protective work carried on by the association is in a highly satisfactory condition. President Calfee recommended the adoption of the uniform Negotiable Instruments Act.

W. F. Keyser, secretary of the association presented an interesting report. It showed a gain of ninety-eight members in the past year, and a total present membership of 833 out of 871 banks, bankers and trust companies doing business in the State. He gave the following statistics of these banks, as shown by reports of March 28, 1904.

	Capital.	*Surplus and profits.*	*Deposits.*
National banks	$23,150,000	$21,358,710	$226,757,474
State banks	20,958,740	12,206,719	148,248,575
Private banks	768,370	616,729	7,047,394
Trust companies	20,391,600	25,407,461	68,146,864
Total	$65,268,710	$59,589,619	$445,200,307

Hon. Wm. Barret Ridgely, Comptroller of the Currency, delivered an interesting address on "Early Banking in the West." After describing the primitive banking conditions prevailing in Illinois and Missouri in the early history of that part of the country, and paying a strong tribute to the staunch character of some of the old Missouri banks, Comptroller Ridgely presented the following striking facts in regard to the banks of some of the Western States:

"The three States of Missouri, Iowa and Minnesota have more bank deposits than all of the States west of the Mississippi River had in 1890, and the States of Washington, Oregon and California, have $40,000,000 more bank deposits than all the other States west of the Mississippi River had in 1890. The banks of the State of Missouri have on deposit to-day about $300,000,000. This is more than all the incorporated banks in the United States ever had in any year prior to the Civil War. The banks of the city of St. Louis have about three times as many deposits as all the banks of the country had in 1843, and more deposits than all the banks of the country ever had previous to 1854. The banks in the State of Iowa have $211,000,000 of deposits. This is more than twice the deposits in all the banks of the United States in 1846,

W. F. KEYSER,
Secretary Missouri Bankers' Association.

W. C. HARRIS,
Treasurer Missouri Bankers' Association.
(President Callaway Bank, Fulton, Mo.)

when Iowa was admitted, and more than all the banks of the country prior to 1856. In the more newly settled Territories, Oklahoma and Indian Territory, they have to-day $27,000,000 of deposits when ten years ago there was practically nothing."

Reports from the several groups and from the various committees occupied a considerable part of the sessions on the second and third days. Addresses were made by ex-Gov. Francis, and Hon. Champ Clark, member of Congress.

New officers were chosen as follows:

President—Harry M. Rubey, Cashier Exchange Bank, Macon.

Vice-President—S. R. Nelson, Vice-President Savings Association of Chillicothe.

Treasurer—W. C. Harris, President Callaway Bank, Fulton.

Secretary—W. F. Keyser, of Butler.

NORTH CAROLINA BANKERS' ASSOCIATION.

The eighth annual convention of the North Carolina Bankers' Association was held at Battery Park Hotel, Asheville, June 14, 15 and 16. Hon. C. T. Rawls, mayor of Asheville, made an appropriate address of welcome. In the course of his address he said

"You represent one of the most honorable as well as one of the most useful callings of life. The banker is not only the architect of the community in which he lends his money and

collects his interest, but he is always the main dependence of the nation in time of great peril. George Washington performed a noble part in the War of the Revolution, and the love and admiration of his countrymen and of their descendants are fully justified and deserved; but George Washington would have failed in his mission of liberation and independence had he been denied the assistance of Robert Morris and that small circle of patriotic bankers and financiers, who, in spite of all manner of discouragements and rebuffs, were at the same time fighting in the counting-houses of the world the financial battles of this pre-ordained republic. Washington, the soldier, is honored in song and story. Little children bow at his shrine and worship his memory. The white light of his fame shines with an ever-widening radiance from an ever-broadening facet as the years roll on. The fame of Robert Morris is but a fading memory. What a shame is this injustice of history! But it was ever thus and ever will be. The desperate valor of Kuroki and his Japs at Nanshan Hill almost melted the cables of three seas; yet the public at large knows not the name of a single banker in Tokio or Yokohama whose sacrificial offerings in money sent Kuroki and his men struggling up the bloody heights of Kinchow, and Togo and his battleships to the mine-laden waters of the Gulf of Pechili. If all goes well with the little Japs, as I devoutly hope it will, and if history repeats itself, as it ought not, but is likely to do, honors and riches will be heaped upon Kuroki and Togo, living, and bronze and marble and eloquent inscriptions will rise above them, dead; while the banker of Tokio and Yokohama will probably receive as his reward the abuse and vilification of his fellowmen for robbing his country it its hour of peril. But, gentlemen, while this is so, let us fervently hope that there is some place, perhaps in another world, where the inequalities and injustices of this will be corrected, and that all of you, bankers though you are, may be able to reach it in the end."

Joseph G. Brown, President Citizens' National Bank, Raleigh, made an eloquent response to Mayor Rawls' speech of welcome. After some announcements by the secretary, the convention adjourned to take part in the social features, including a reception, dancing and banquet.

On reassembling on the morning of June 15 the convention was opened with prayer by Rev. W. T. Capers, after which President Lee H. Battle delivered his annual address, which was in part as follows:

"In the summer of 1897, just eight years ago, when this association was organized at Morehead City, the membership was composed of twenty-eight banks; to-day we have 150.

Eight years ago we had in this State eighty-nine banks, including National, State and private institutions. The combined capital of these eighty-nine banks was $5,285,000 with surplus and profits of $1,438,000, and individual deposits of $10,531,000. Three years ago when we met in this city, the total number of banks had increased to 144, and the membership of the association to 101. At that time the combined capital was $6,032,000, surplus and profits $2,051,000, and individual deposits of $18,468,000. At the present time we have in the State 206 banks with a capital stock of $8,343,000, surplus and profits $2,807,000, and individual deposits $34,122,000. We have as members of this association 150 of the 206 banks reported. Summarizing briefly, we have in eight years an increase in the number of banks of 117, or seventy-six per cent. In surplus and profits we have a gain of $1,370,000, or practically 100 per cent., and the individual deposit account shows a growth of $23,600,000, or 225 per cent.

Should you ask what particular factor has contributed to this expansion and growth, I would answer, the establishment of such a large number of small banks, until now we have one and sometimes two in almost every town and village in the State.

In some quarters this multiplication of small banks has been looked upon with some degree of trepidation lest it should be overdone and thereby work injury to the banking interests of the State, but it seems to me to have been an unmixed blessing. Briefly, let me refer to only two of the benefits which we have received. The first is the breaking down of the prejudice existing against banks. In the rural districts particularly there has existed, and yet exists to some extent, a strong prejudice against banks. They have been looked upon as the enemy, rather than the friend, of the people. But by the planting of these numerous banks in all portions of the State the people have come to see and know what they are, and what they do for the community.

The farmer has the bank brought to his door as it were, and is not only given the opportunity of taking his money from its hiding-place and depositing it in the bank, but he is also able to go to the bank and secure at a low rate of interest the funds with which he may buy supplies to carry him through harvest time. Whereas, in former years he was forced to go to the time merchant and pay long-time prices for his necessities. Thus being brought into personal relationship with the bank, and enjoying the advantages which it affords, he is able to see from a different viewpoint, and is led to believ that a bank is really a good thing, and not what he once thought it was.

Again, North Carolina, in her march of material development and progress, has come to the front ranks in the growth of her manufactories. For the lack of adequate banking facilities her manufacturers have been forced to send the very cream of their business to the large cities beyond the borders of the State. But a change in this direction is now going on. By reason of this expansion in our banking business, and through the increase of deposits brought about by this means, our banks are able to take over, a part at least, of this business which has heretofore been lost.

I confidently believe that at no far distant day the banks of our State will be provided with sufficient means to care for all this business which will mean much to them, and much for the material upbuilding of our manufacturing and industrial interests."

C. N. Evans, Cashier of the Merchants and Farmers' National Bank, Charlotte, then presented his report as secretary and treasurer of the association.

Hon. Ellis H. Roberts, Treasurer of the United States, was the next speaker, and his address was heard with great interest.

H. E. Jones, President of the Dominion National Bank, Bristol, Tenn., spoke on "Bank Money Orders." He urged united effort on the part of the banks in the movement to get this business away from the post-office and express companies. Regarding the magnitude of the money-order business, he said:

"Statistics show that the money-order business of the post office and express companies is growing very rapidly, not only in the country, but also in the larger money centers. For illustration, the volume of money orders sold by the Chicago post office during February, 1904, showed an increase of twenty-five per cent. over that of the corresponding month in 1903. There were 723,157 transactions there in that month alone. Over $1,000,000 a day, or nearly $400,000,000 a year, is being paid ino the post offices of the United States for money orders. If the average time between the purchasing and cashing of the orders is ten days, the Government holds an average balance of $10,000,000, free of interest, with an earning capacity of $500,000 a year. It is estimated on good authority that the express companies combined sold orders last year aggregating at least $350,000,000. Add to this the amount sold by post offices, as shown by department reports, and we have the enormous sum of over $750.000,000, on which the profits or fees charged amounted to about six and one-quarter million dollars. The figures appear large, but they are borne out by statistics and careful estimates."

John O. Ellington, State Bank Examiner, delivered the following address:

Bank Examinations.—Address by John O. Ellington, State Bank Examiner.

The subject assigned to me seems to be a new one. I have searched the proceedings of many conventions. I have examined my files of bank literature, but I have not been able to find where a paper has been read upon this subject. Therefore, I have the comforting thought that you cannot compare my paper with the other fellow's. But the worst feature is that I am under the disadvantage of not being able to glean anything from what others have written. The bank examiners hold a very important and delicate position. They should go into the affairs of each bank as if they knew there was a shortage and they were endeavoring to locate it. It matters not what they discover, it is not safe to mention it even to one of the directors. A careless remark or criticism made to a stockholder or customer might start a run that would destroy the bank. I am asked the question, "How did you find our bank?" in almost every town I visit; and frequently by a person who is not interested at all except that he keeps his account with the bank. I am also frequently approached by newspaper men and, strange to say, sometimes at the suggestion of the officers of the bank. Of course, I must evade these questions as best I can. A great many people think that the inaccuracies discovered by an examiner should be made public. Therefore, they ask questions that must be answered, and it is sometimes a hardship upon the examiner to make satisfactory answers. It is impossible for anyone to lay down a fixed rule by which to examine banks, because I doubt if he will find two banks that are conducted exactly alike. Every officer has his own ideas and follows them. This applies especially to those banks operated under our State law, because the law does not set forth how they shall conduct their business, and does not limit them except in the purchase of real estate and fixes their reserve. Therefore, the examiner must be the judge of the excessive loans and overdrafts. He should also examine very closely all real estate and other securities and past-due paper, being careful to report each of these items to the authorities.

THE BEST BOOKS TO USE.

It is also impossible to outline a system of books to be used, because a system that would be perfect in a large bank would be a total failure in a small one, and vice versa. Therefore, the one used must be adapted to the requirements of the business. To determine the system, the number of employees engaged, the character and volume of business transacted, are all factors that must be considered; but every bank should use the modern short system of daily balances, which greatly curtails both time and labor and gives them a better record than that of the old-fashioned system. It is my opinion that the most important book used in a bank is the individual ledger which, of course, includes all ledgers that contain accounts of depositors; and the most dangerous book ever used in a bank is the old-fashioned individual ledger with only a debit and credit column, when the bookkeeper who kept the same was allowed to balance the pass-books and render statements to the depositors. I think the most perfect ledger is the Thompson, or similar daily balance individual ledgers; and I do not consider these safe if the bookkeeper is invariably allowed to balance the pass-books and render statements to the depositors. A splendid idea, where the volume of business is sufficiently large to justify it, is to have two or more individual ledgers, each containing their proportionate part of the accounts and kept by different bookkeepers, requiring them to exchange ledgers each month after balancing the pass-books and rendering statements to the depositors. This would certainly prevent fraud in this direction, unless the bookkeepers have an agreement.

CARE IN ISSUING CERTIFICATES OF DEPOSIT.

Next to the individual ledger the most dangerous feature in banking is the issuance of certificates of deposit. Some banks, to save a little expense, issue these certificates of deposits from pads, recording them in a register. These certificates are the bank's notes and should be guarded as zealously as certificates of stock. I think they should be issued from a stub, and that every bank should require that a certificate of deposit to be valid must be signed by two officers of the bank. A splendid way to keep this account, and it is done by several banks under my supervision, is to cancel and attach all paid certificates to the original stub. In fact, every number should be accounted for, and if one is spoiled in issuing it should be left in the book and not destroyed. It is also a very dangerous practice to make partial payments on certificates of deposit, and should not be done under any circumstances.

The bank examiner is more or less at the mercy of the officers of the bank. There are a great many things that he cannot verify. Therefore, in my opinion, the best examination that a bank can have is by a committee selected from its board of directors, and this should be done at least once in six months. This committee should be composed of two or three of the most practical business men on the board, and they should examine the bank with as little assistance from the officers as possible. The best time to begin the examination is immediately after the bank closes for the day. They should go unannounced and take the officers and employees by surprise.

A great many banks are now examined by its directors, and they usually give the officers several hours' notice; and in some instances are notified by the President or Cashier to make the examination. Therefore, to a great extent the value of the examination is destroyed. After making the examination they should take a list of the amounts due to or from other banks and verify these balances by correspondence, as is done by the bank examiner in his examination. These replies should be mailed by the correspondent bank direct to the examining committee. It is not safe to take the statements rendered by the correspondent bank if they have been in the possession of the bank's officers or bookkeepers, for there are instances where it has been done, and it is an easy matter to change the statements rendered by the correspondent bank to suit the books of the bank under examination. I am sure that this would be a better examination than could be given by the most expert accountant, for they would know at a glance the genuineness and the worth of the bills receivable, while an examiner has no way of ascertaining the worth of a note unless it is a collateral paper secured by stocks or bonds of market value, except from general appearance or by making inquiry, and this should be done very cautiously. This could be remedied to a certain extent by the examiner having one or two directors with him while making the examination; and I have pursued this policy at several banks, and I have found only one director who stayed with me until I finished even the bills receivable. They invariably get tired or have important business to attend to. The trouble is the average director thinks that his bank is conducted as well as it should be and does not need looking after.

I think that the directors should be compelled by statute to make an examination of every State and National bank as often as once in six months, and it should be required that the results of these examinations be reported under oath, to the proper authorities, containing a classification of the bank's assets, showing those that are good, those that are past due

and suspended, and those that are doubtful and bad, and all excessive loans, and the liability of each director and officer. The majority of the troubles which come to banks are through excessive and questionable loans. By the very nature of the circumstances the board of directors are certainly the best judges, and if possessing the information which these examinations would necessarily give they could easily prevent loss or failure in this direction. Then if the directors would devise some means of verifying the balances, as shown by the ledger, to the credit of the depositors, it seems to me that every safeguard possible would be thrown around the funds of the depositors. This could be done in several ways, but it is my opinion that the best way would be to require the President or Cashier to balance the pass-books and render statements to depositors. Under no circumstances should the bookkeeper alone balance pass-books and render statements to depositors. It would not be necessary for the officers to write these books or make the statements. They could effect their purpose by comparing the balances as shown by the pass-books and statements with those shown by the individual ledger, then delivering the books and mailing the statements. This would not require much of the directors' time, and I am satisfied that it is not only a moral but a legal obligation on the part of any director who accepts such a position, to give to his bank the amount of time and care necessary to protect the depositors.

If the banks will adopt these suggestions, improving them as they think best, and take the extra precaution of heavily bonding their officials and employees, and carrying a full line of burglar insurance, it seems to me that they could insure to their depositors very nearly absolute safety. I know that the mode of Government supervision of banks is often condemned and criticised as a useless trouble and expense, but there are a great many instances where it has greatly benefitted, and even saved, the weak and poorly conducted bank, which the strong and well-managed institutions know nothing of. The whole matter of bank examinations is one of great difficulty. A very large majority of the banks are conducted in a manner above reproach. The small number whose management is such as to lead to serious loss or failure are usually known to the authorities and are carefully watched and urged to change their ways. The public never hears of the banks which have been saved from serious loss by timely discoveries by the examiner and by prompt action by the authorities. These things cannot be made public, but when a failure does occur then the system of Government supervision comes in for severe censure.

In conclusion, I desire to express my sincere thanks to the officers and employees of the one hundred and seventy-five banks under my supervision for the uniform courtesy and kindness shown me while making these examinations. It has made my work one of pleasure. I also desire to express my thanks to the various State and National banks that have rendered me such valuable aid by promptly responding to all inquiries sent to them.

W. S. Blankeney, President of the Bank of Union, Monroe, N. C., spoke on "Branch Banking." Col. F. H. Fries, President of the Wachovia Loan and Trust Co, Winston-Salem, read a carefully-prepared paper on "Burglary and Fidelity Insurance." THE BANKERS' MAGAZINE hopes to publish this paper in a later number.

Col. Fries, as chairman of the executive committee reported as follows:

"The question of the establishing of a Southern depository as raised by the resolution of Mr. S. T. Peace, of Oxford, N. C., at the last convention, and which was referred to this committee, has been carefully considered. While the committee was impressed with the views of Mr. Peace on this matter, yet it is of the opinion that any action at this time would be unwise.

That this committee, after mature consideration, approves the plan of the American Bankers' Association for the adoption of a bankers' money order, and recommends to the members of this association the adoption of their order whenever the same is prepared for use.

We recommend that the secretary of the association be instructed to correspond with burglary and fidelity insurance companies with a view to securing some arrangement for the association by which this insurance may be issued through officers of the association, as a means of economy to the members and profit to the association as an organization.

We recommend that the incoming vice-presidents of this association be instructed to secure and report to the incoming executive committee, information and some plan looking to the establishing of a clearing-house or clearing-houses for the State of North Carolina, with a view to improving and expediting the exchange of collections upon a profitable basis to all concerned."

This report was adopted. Resolutions were adopted expressing regret for the death of D. F. Cannon, President of the Cabarrus Savings Bank of Concord; also

the customary resolutions of thanks, and the following special one for Secretary Evans:

"*Resolved* 7th, and unanimously. That this association is especially delighted at the rare good fortune that has befallen the secretary during the past year. That we extend to him our united and hearty congratulations, and to his charming companion a cordial welcome into our ranks, and that we wish for them a long and happy life together. There seems to be nothing truer than that 'All things come to him who waits.'"

John F. Bruton, chairman of the committee on nominations, presented the following for officers for the ensuing year, and they were duly elected:

President, F. H. Fries; first vice president, J. V. Grainger; second vice-president, J. C. Braswell; third vice-president, John F. Wiley; secretary and treasurer, C. N. Evans; executive committee, Geo. W. Montcastle, Thos. J. Latham, Ivey Watson, Thos. L. Little, Lee H. Battle. Delegates to convention of American Bankers' Association, R. L. Watt, Chas. Blanton, W. T. Old.

COL. F. H. FRIES,
President North Carolina Bankers' Association.
(President Wachovia Loan and Trust Co., Winston-Salem, N. C.)

C. N. EVANS,
Secretary North Carolina Bankers' Association.
(Cashier Merchants and Farmers' National Bank, Charlotte, N. C.)

After short speeches by several of the newly-elected officers, and by a number of other bankers, the convention adjourned.

TEXAS BANKERS' ASSOCIATION.

Texas bankers held their twentieth annual meeting at El Paso, May 3, 4 and 5, President A. V. Lane, Vice-President of the National Exchange Bank, Dallas, presiding. Hon. J. T. Beall welcomed the bankers to El Paso and I. H. Kempner, President of the Texas Bank and Trust Co., Galveston, responded. In his annual address President Lane gave an account of the association's activities. He stated that largely through the vigorous fight made by the association a reversal had been obtained of the decision in the case which sought to hold bankers responsible for grades and weights named in bills of lading handled for their customers.

A. V. LANE,
Retiring President Texas Bankers' Association.
(Vice-President National Exchange Bank, Dallas, Tex.)

Secretary J. W. Butler, Cashier of the Farmers and Merchants' Bank, Clifton, presented his annual report, showing a membership of 570—all but twenty-eight banks in the State. Three years ago there were but 259 members. Reports from a number of committees were also read.

At the second day's session Hon. Jonathan Lane, of Houston, read a paper on "The Benefits of Bonded Warehouses," and Wm. R. Hamby, Cashier of the American National Bank, Austin, spoke on "State Banks: Are They Useful and Desirable Aids to Commerce?" He said that while he was a strong believer in National banks, and fully recognized the prestige attaching to them, yet he believed that the industrial and commercial interests of Texas would be materially benefited if the State constitution were amended so as to permit the chartering of State banks. Mr. Hamby presented a careful analysis of the banking laws of several of the States. R. H. Wester, President of the Wester Savings and Trust Co., San Antonio, agreed with the position taken by Mr. Hamby regarding the desirability of State banks.

Later a resolution was adopted endorsing a constitutional amendment permitting the chartering of State banks.

Addresses were made by J. T. Scott, Cashier First National Bank, Houston; L. L. Jester, President Jester National Bank, Tyler, and others. The following officers were chosen:

President, W. H. Rivers, President Bank of Elgin; vice presidents, J. L. White, Cashier Collin County National Bank, McKinney; C. A. Beasley, Cashier J. H. P. Davis & Co., Richmond; secretary, J. W. Butler, Cashier Farmers and Merchants' Bank, Clifton; assistant secretary, W. M. Windom, Cashier Farmers and Merchants' National Bank, Farmersville; treasurer, S. Webb, President Albany National Bank.

A pleasing incident of the convention was the presentation of a handsome cane to Secretary Butler in testimony of his efficient services. J. L. White, of McKinney, made the presentation speech, and Mr. Butler appropriately responded.

Next year's convention will be held at Dallas.

WASHINGTON STATE BANKERS' ASSOCIATION.

The ninth annual convention of the Washington State Bankers' Association was held at Walla Walla, June 16, 17 and 18. Mayor Hunt welcomed the convention,

W. H. Rivers,
President Texas Bankers' Association.
(President Bank of Elgin, Elgin, Tex.)

J. W. Butler,
Secretary Texas Bankers' Association.
(Cashier Farmers and Merchants' Bank, Clifton, Tex.)

and the response for the bankers was made by P. C. Kauffman, second Vice-President of the Fidelity Trust Co., Tacoma.

President C. J. Lord, in his annual address, said that while there was some depression in the lumber trade of the State, as compared with the recent highly prosperous years, crop prospects were good however, and the general business outlook favorable. He reviewed the work being done by the association, and in speaking on a resolution adopted last year in relation to an elastic currency, quoted with approval from The Bankers' Magazine in favor of maintaining the present bond-secured currency.

Secretary P. C. Kauffman's report showed a present membership of 166—a net gain of thirty-six for the year. The association's membership now comprises ninety-three per cent. of the banks in the State.

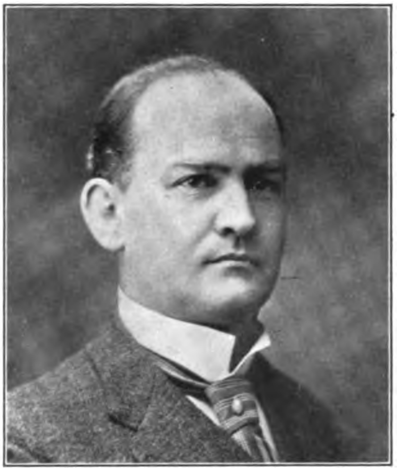
N. B. Solner, Manager of the Bank of Cape Nome, made an interesting talk about "Banking in Alaska." He said that while rates of interest varied from twelve to eighteen per cent., banking in Alaska was not precisely an occupation for those in search of a quiet life.

F. E. Beck, Manager of the San Francisco branch of the International Banking Corporation, delivered an able address on "International Banking." He described

C. J. Lord,
Former President Washington State Bankers' Association.
(President Capital National Bank, Olympia, Wash.)

the remarkable growth of American commerce in recent years, and pointed out the desirability of enlarged banking facilities to supply the needs thus created.

Edwin T. Coman, Cashier of the First National Bank, Colfax, spoke on "The Requisites of a Good Loan." W. D. Vincent, Cashier of the Old National Bank, Spokane, argued in favor of a State protective committee to guard the banks from the depredations of burglars, sneak thieves and forgers. Other features of the



N. H. LATIMER,
President Washington State Bankers' Association.
(Manager Dexter Horton & Co., Seattle, Wash.)

P. C. KAUFFMAN,
Secretary Washington State Bankers' Association.
(2d Vice-President Fidelity Trust Co., Tacoma, Wash.)

programme were: "The Canadian Banking System," by G. V. Holt, Manager Canadian Bank of Commerce, Seattle; discussion of a number of topics of practical interest; "Needed Legislation," by Hon. Miles C. Moore, President Baker-Boyer National Bank, Walla Walla; also reports of committees.

Following are the new officers elected: President, N. H. Latimer, Manager Dexter Horton & Company, Seattle; vice-president, E. T. Coman, Cashier First National Bank, Colfax; secretary, P. C. Kauffman, second Vice-President Fidelity Trust Company, Tacoma; treasurer, W. M. Shaw, Assistant Cashier of the Exchange National Bank, Spokane.

VIRGINIA BANKERS' ASSOCIATION.

The eleventh annual convention of the Virginia Bankers' Association was held in the ball-room of the Chamberlin Hotel, Old Point Comfort, June 16, 17 and 18, Henry L. Schmelz, President of the Bank of Hampton, presiding. The annual address of President Schmelz and the report of Secretary Gatling indicated a prosperous condition for the association. At the close of the 1901 convention there were but ninety-four members; at the following convention there was a gain of ten members, and since that time, though there has been a loss of seven members, by resignation and absorption, 105 new members have been added, making a present membership of 202 out of 245 banking institutions in the State. Secretary Gatling

stated that this was the highest percentage of membership which any State association had.

W. M. Habliston, President of the National Bank of Virginia, Richmond, made a strong plea for conservative banking. "Personality in Banking" was the theme of a very instructive address by W. O. Jones, Assistant Cashier of the National Park Bank, New York. Joseph Stebbins, President of the Bank of South Boston, Va., delivered an address on "The Corporation Article in the Virginia Constitution."

A report on bank money orders was made by H. E. Jones, President of the Dominion National Bank, Bristol, Va. An address on "Liability of Directors and Officers of Financial Institutions," was delivered by J. Hector McNeal, of Philadelphia.

The following officers were chosen: President, Wm. M. Habliston, President National Bank of Virginia, Richmond; vice-presidents, H. E. Jones, President Dominion National Bank, Bristol; G. W. Moore, Jr., Cashier Lynchburg National Bank, Lynchburg; J. A. Willett, Cashier First National Bank, Newport News; S. H. Hanbrough, President Shenandoah Valley National Bank, Winchester; J. M. Miller, Jr., Vice-President and Cashier First National Bank, Richmond; J. T. Meadows, Cashier First National Bank, Roanoke; Joseph Stebbins, President Bank of South Boston; W. J. Dingledine, Cashier Rockingham National Bank, Harrisonburg; E. S. Reid, Cashier Chatham Savings Bank, Chatham. Secretary, N. P. Gatling, Lynchburg. Treasurer, H. A. Williams, Cashier Metropolitan Bank of Virginia, Richmond.

Delegates to Convention of American Bankers' Association: H. L. Schmelz, President Bank of Hampton; J. A. Wetell, Cashier First National Bank, Newport News; J. J. Lawson, Cashier Bank of South Boston; Tucker K. Sands, Cashier National Bank of Virginia, Richmond.

WEST VIRGINIA BANKERS' ASSOCIATION.

The eleventh annual convention of the West Virginia Bankers' Association met at Huntington June 8 and 9, Robert L. Archer, Cashier of the West Virginia Savings Bank, Huntington, presiding. Hon. F. B. Enslow, President of the Huntington National Bank, make the address of welcome on behalf of the local bankers and Hon. Wm. H. Thompson on behalf of the city. J. D. Baines, Vice-President of the Kanawha National Bank, Charleston, responded for the bankers.

ROBERT L. ARCHER,
Retiring President West Virginia Bankers' Association.
(Cashier West Virginia Savings Bank and Trust Co., Huntington, W. Va.)

President Archer in his annual address referred to the matter of bank taxation, and advocated a law similar to that prevailing in New York. He also spoke in favor of the uniform Negotiable Instruments Law. In reviewing the banking progress of the State, he said:

"The banking power of the State has fully kept pace with its progress along other lines. In 1898 the State had 110 banks, State and National. At the time of the call statement, November, 1903, the State had 216 banks, 148 of them being State banks and sixty-eight National banks. The capital of all the banks increased from $6,929,000 in 1898 to $13,259,000 in 1903.

Surplus increased from $2,311,000 in 1898 to $4,897,000 in 1903, and deposits increased from $22,000,000 in 1898 to $66,525,000 in 1903. This is truly a remarkable growth, being an increase of 100 per cent. in number of banks and an increase of more than 100 per cent. in capital, and an increase of more than 200 per cent. in deposits."

E. M. Gilkeson, who attended the San Francisco convention of the American Bankers' Association, gave a glowing account of the hospitality of the California bankers.

An interesting account of the recent experience of the United States of Colombia with paper money was given by Hon. C. B. Hart, of Wheeling. This address will be printed in a later number of the MAGAZINE. Wm. S. Power, of Pittsburg, spoke on "Financial Advertising." He said that while financial advertising is still in its infancy, and five years ago it was struggling valiantly for its life, to-day it is a vital force in the financial affairs of the country. Formerly the bank that advertised was regarded as the exception, while now it is the bank that does not advertise that excites comment and criticism.

A. C. ANDERSON,
Former President Minnesota Bankers' Association.
(President St. Paul National Bank, St. Paul, Minn.)

George Bryan, of Richmond, Va., made a strong argument for the Negotiable Instruments Law.

The following officers were elected:

President, Charles B. Hart, Wheeling; vice-presidents: first district, A. N. Pritchard, Mannington; second district, Ira E. Robinson, Grafton; third district, M. M. Williamson, Charleston; fourth district, A. C. Jackson, Sistersville; fifth district, J. K. Oney, Huntington; secretary and treasurer, C. T. Hiteshew, Parkersburg.

Delegates to convention of the American Bankers' Association: J. D. Baines, Charleston; Chas W. Robinson, Fairmont; Anthony Smith, Harrisville. Alternates: M. Paul Phillips, Elkins; Edward Nelly, Parkersburg, and J. L. Dickinson, Charleston.

MINNESOTA BANKERS' ASSOCIATION.

The fifteenth annual convention of the Minnesota Bankers' Association was held at the Tonka Bay Hotel, Lake Minnetonka, June 21 and 22, A. C. Anderson, President of the St. Paul National Bank, presiding.

A. A. Crane, Cashier of the National Bank of Commerce, Minneapolis, made the address of welcome.

Joseph Chapman, Jr., Cashier of the Northwestern National Bank, Minneapolis, read his report as Secretary, describing the work done by the association in the past year. He reported a total membership of 620, compared with 532 a year ago.

Jno. L. Hamilton, of Hoopeston, Ill., made an address on "The American Bankers' Association and Its Benefits," and J. Harry Lewis, of the St. Paul "Daily News," talked interestingly on "Banks and Advertising." Thos. F. Woodlock, editor of the "Wall Street Journal," New York city, spoke on "Banking

Conditions on Wall Street;" E. J. Craig, Jr., told about the work of the American Institute of Bank Clerks.

A resolution was adopted favoring the lending of money upon first mortgages on improved farm property.

O. H. Havill, of the Merchants' National Bank, St. Cloud, was elected president, and Cliff W. Gress, of the Citizens' Bank, Cannon Falls, was elected vice-president. Geo. H. Prince, Cashier of the Merchants' National Bank, St. Paul, was re-elected treasurer, and Joseph Chapman, Jr., Cashier of the Northwestern National Bank, Minneapolis, was re-elected secretary.

O. C. ST. CLAIR.

ORIGINATOR OF A NEW BANK CHECK.

There has been considerable comment recently in financial circles relative to a patent issued to O. C. St. Clair, 183 La Salle St., Chicago, covering a Trading Bank Check System and methods of operating of which he is the originator.

It is recognized that the day is passed when a banker can become successful by sitting down and waiting for depositors. He must go after them with superior inducements to those offered by his competitor. It is right here that this Trading Bank Check System will apply by offering to depositors an enlarged, legitimate opportunity for accumulating and saving their money.

O. C. ST. CLAIR, CHICAGO.
Originator Trading Bank Check System.

Mr. St. Clair has given evidence that his methods are entirely legitimate and conducted on sound business principles.

It is the intention to give one bank in each city or town the exclusive control of the system, giving the bank the use of all money deposited free of cost other than the clerical work required behind the bank counter.

The organization operating the system will pay all expenses necessary to procure the depositors, and when same is backed up by the prestige and security offered by each local bank, together with the inducements which will be offered the people to become depositors, it will certainly prove to be very strong in attracting desirable patronage.

When the enterprise is in full operation it will not only procure and hold the deposits of the masses of the people but will bring to the bank as depositors the most desirable commercial accounts in each city.

It is understood that the organization to operate the system has been perfected and further particulars may be expected at an early date.

NEW YORK STATE BANKERS' ASSOCIATION.

PROGRAMME OF THE ELEVENTH ANNUAL CONVENTION TO BE HELD AT BLUFF POINT, JULY 14 AND 15.

The eleventh annual convention of the New York State Bankers' Association will be held at the Hotel Champlain, Bluff Point, Lake Champlain, Thursday and Friday, July 14 and 15.

LEWIS E. PIERSON,
President New York State Bankers' Association.

(President New York National Exchange Bank, New York.)

Following is an outline of the programme of the convention :

THURSDAY, JULY 14, 10 A.M.

Prayer by Rev. Joseph Gamble.

Annual address by Lewis E. Pierson, president.

Reports of officers.

Reports of group chairmen.

Report of council of administration.

Address, "Note Issues Under the Canadian Banking Law," by M. J. A. Prendergast, General Manager La Banque de Hochelaga, Montreal.

Address, "Interest on Deposits," by F. D. Kilburn, Superintendent of the State Banking Department.

Five-minute talks; nominations; adjournment.

AFTERNOON.

Special train to Ausable Chasm and return.

Banquet in the evening; also Empire Quartette, and it is hoped to have Governor Odell and Ex-Gov. Frank S. Black and several other good speakers.

FRIDAY, JULY 15, 10 A.M.

Prayer by Rev. H. P. Lef-Graban.

Address "Practical Work of Banking Associations," by John L. Hamilton, chairman executive council American Bankers' Association.

Address, "New York and Pennsylvania Bankers," by Hartman Baker, Cashier Merchants' National Bank, Philadelphia.

Address, "Financial Legislation," by R. Ross Appleton, of New York.

Five-minute talks; unfinished business; new business.

Election of officers and council of administration.

AFTERNOON.

Special steamer, Chateaugay, trip through the beautiful islands of Lake Champlain, stopping at Plattsburg. Special dress parade by U. S. troops, then by trolley to hotel.

EVENING.

Concert—orchestra and military band, Empire Quartette.
Informal dancing.

In the selection of the Hotel Champlain, the council of administration was governed by the fact of its unequalled situation and accessibility by both rail and water.

The management has offered a reduced rate to the guests of the convention of four dollars per day, and the Trunk Line Association of railroads has granted a rate of one and one-third fare for the round trip from different points in the State.

The People's Line (night boats between New York and Albany) have also offered a reduction of fare.

F. E. LYFORD.
Vice-President New York State Bankers' Association.
(President First National Bank, Waverly, N. Y.)

Albany Day Line of Steamers will accept tickets of the People's Line between New York and Albany, either way.

Railroad tickets between Albany and Bluff Point will be honored for passage on Lake Champlain steamers. Trip through Lake George can be made at an additional cost of one dollar and fifty cents.

The Hotel Champlain is situated in a beautiful park of 450 acres and among its many attractions are golf, boating, bathing, yachting, fishing and tennis. The U. S. Military Post is within a short distance.

Thursday, July 14, after the morning convention, a trip will be taken through the wonderful Ausable Chasm, returning in time for banquet in the evening, and on July 15 the committee has the choice of half a dozen delightful trips and a selection will be made later.

When the convention is over, the delegates will be within a few hours of Montreal and the picturesque resorts on the Chateaugay Road, as Lake Placid, the Ampersand on Saranac Lake, or Paul Smith's.

We trust every bank in the State will be represented.

ALFRED H. CURTIS, *Chairman*,
E. O. ELDREDGE,
ROBERT A. PATTESON,
HIRAM R. SMITH,
ANDREW C. CORNWALL,
Committee of Arrangements.

Get a certificate from the railroad when you purchase your ticket, otherwise full fare will be charged for return trip ; if you travel over more than one road obtain a certificate from each road, unless a through ticket is purchased.

Rooms may be reserved by addressing E. L. Brown, Manager Hotel Champlain.

care Lincoln Safe Deposit Company, 42d Street, New York, until July 1; after that date at the hotel.

Special excursion rates for this convention: Bluff Point to Montreal and return, $4.10; Bluff Point to Lake Placid and return, $4.00; Bluff Point to Saranac Lake and return, $3.00.

TRUNK LINE ASSOCIATION RULES.

Obtain certificate (not receipt) at nearest station issuing same (certificate not issued at all stations) not earlier than July 11 or later than July 14, and at least thirty minutes before departure of train.

E. O. ELDREDGE,
Secretary New York State Bankers' Association.
(Cashier Owego National Bank, Owego.)

DAVID CROMWELL,
Treasurer New York State Bankers' Association.
(President First National Bank, White Plains.)

On arrival at Hotel Champlain present same at the desk of the secretary of the New York State Bankers' Association.

Certificates must be validated by special agent of the Trunk Line Association, who will be in attendance on July 15 for that purpose, and will be entitled to a fee of twenty-five cents for each certificate.

NEW COUNTERFEIT $10 UNITED STATES NOTE—"BUFFALO NOTE."—Series of 1901; check letter "C;" Plate No. 105; J. W. Lyons, Register; Ellis H. Roberts, Treasurer. A lithographic production, apparently the work of the persons responsible for counterfeits on the same issue previously described. It is printed on two pieces of thin paper of good quality, between which silk threads have been distributed. The figures in the Treasury number are too large and of irregular formation. The lathe work is poor. The portraits of Lewis and Clark appear blurred and scratchy, while the seal and denominational character are light pink instead of carmine. The back of the note is poor and the green ink is several shades darker than the genuine.

DEATH OF TWO PROMINENT WISCONSIN BANKERS.

In the recent death of ex-Senator Mitchell and John Johnston, both Vice-Presidents of the Marine National Bank, Milwaukee, Wis., that State and city lost two of its well-known bankers. The institution with which they had been for so many years associated is famous in the banking annals of the country. It is one of the oldest banks in the Northwest, dating back to 1839, and its founders, George Smith and Alexander Mitchell, were noted for maintaining the soundness of the circulating notes of their bank in the early days when the issues of so many of the old State banks were in discredit.

JOHN L. MITCHELL,
Late Vice-President Marine National Bank, Milwaukee, Wis.

JOHN JOHNSTON,
Late Vice-President Marine National Bank, Milwaukee, Wis.

John L. Mitchell, who died June 29, was the son of Alexander Mitchell, and was for many years President of the bank, and later Vice-President. He had been a member of Congress, and served in the United States Senate from 1893 to 1899. He was a man of large wealth.

John Johnston was for many years Cashier of the Wisconsin Marine and Fire Insurance Co. Bank, and of its successor—the Marine National Bank—and at the time of his death, which occurred June 1, was Vice-President. He was a Scotchman by birth, but had long been identified with the business and banking interests of Milwaukee. He had been highly honored by the bankers of his State, having been Vice-President of the Wisconsin Bankers' Association and a member of the executive council of the American Bankers' Association. His career as a banker was long and illustrious, and he dignified and ennobled every station that he filled. As a citizen and as a man he was justly esteemed for his many noble qualities of head and heart.

THE CANADIAN CURRENCY—CONTRACTION DURING PERIODS OF DEPRESSION.

One of the most interesting features of the financial situation in the United States is the curious manner in which the National bank circulation is increasing in the face of a decreasing volume of trade.

The "Wall Street Journal" of May 27 said: "The weekly Treasury reports of National bank circulation have shown steady increases since the first call for the return of United States deposits took effect on March 25. The indications are that all of the United States bonds that were deposited as security for United States deposits called in will be used to take out circulation to an amount equal to the withdrawn United States deposits. The practical effect of this policy will be to substitute bank notes for the greater part of the gold that has been sent to Paris. Bank notes cannot be counted as reserve by National banks, but they can be paid out over the counter as currency, and they may be sent to Washington for redemption in lawful money."

The interest lies in the question, During a season in which the surface indications are pointing, almost in unison, to declining trade, and inferentially to a decrease in the demands for banking accommodation, why are the banks so particular to maintain their loanable funds at the high level which was reached just before the Government deposits were withdrawn? For instance, a bank has, say, $100,000 in United States deposits, for which Washington holds security in the shape of bonds. When it has paid off, from its own supplies of cash, $40,000 of those deposits, and has a corresponding amount in bonds released, why does it not leave a part of its capital invested in those bonds instead of immediately repledging the whole amount as security for increased note circulation?

The facts that the banks find a profit in increasing their circulation, and that bank loans generally tend to increase rather than to decrease, seem to be in direct contradiction of the other facts, that railroad earnings are falling and that general business activity is lessening. If the country's industrial plants were less active; if they were under smaller necessities in the way of wages and expenses, and in purchasing raw materials, etc., it might be expected that they would borrow less from the banks and that the banks would find their unemployed funds increasing so fast as to be perplexing and troublesome.

Possibly, it will be found eventually that the high commodity prices and the high cost of labor have something to do with the maintaining of bank loans at a high level. Although the country has plainly entered a period of reaction, and although security prices have fallen, there has not yet been seen any general fall in commodity prices or in wages. In the case of the latter, fear of the unions may have had its effect, but it would be quite possible for commodity prices to be kept up for a time with the help of the banks. If a general idea prevailed through the country that the falling off in trade was largely due to the unsettlement nearly always to be seen in the years of presidential elections, and if business men generally believed that the industrial depression would prove to be not gravely important or disastrous, then those people who owned stocks of goods would be in no panic to sell. If their goods did not go off quickly, as they have been going in the last few years, they would hold them, with the banker's assistance, till the market took a turn

for the better. This disposition would be strengthened and made more effective because of the development lately of the consolidation idea. Nowadays one powerful corporation controls an amount in goods that was formerly scattered among many concerns, some strong and some weak.

If this is the true explanation of the stubborn refusal of prices in general to follow the course of prices of securities, the ultimate situation will be governed largely by the conditions that prevail in the rest of the world. If the business community in Europe has not the optimism of the United States and Canada as to the immediate outlook; if the merchants and traders on the other side of the Atlantic get the contrary idea that a serious depression in business is just beginning, then they will, with all haste, set themselves to reducing their stocks and commitments and such a proceeding on their part would tend to heavy sales of their goods to America at the high American prices. The natural effect would be to continue the American exports of gold until a point was reached where the banks would be compelled generally to force liquidation of loans based on commodities. When commodity prices were reduced, by means of this, to a level at which the foreign goods could not be imported, then the situation would be in a way to cure itself.

If, on the other hand, the situation abroad takes on a different aspect; if the enormous expenditures of Russia and Japan have a large effect in stimulating certain industries into a fresh prosperity, and if at the same time the crops at home turn out to be good and the confidence of our people revives, then it might be reasonable to expect that instead of a heavy fall in commodity prices to correspond with the fall in securities, we should probably see securities recover a part of their fall.

The increase in the bank-note circulation is the more remarkable because of the indications there are that the present supply of currency in the United States is over-plentiful. It is claimed that there has been going on an expulsion of gold through the ease in money rates produced by the redundant currency supplies. Apparently when the currency is over-plentiful the surplus has to be reduced by exports of gold. Giving particular attention to this phase of the situation in New York, it will be interesting to trace what is happening and what may be expected further to happen to the Canadian currency from a similar set of circumstances.

How the Canadian System Operates.

In The Bankers' Magazine for August and December, 1903, the writer gave some details as to the profits and expenses of the Canadian bank circulation, and a description of the mechanism by which redemption was carried on. This paper will deal more particularly with the extent of the redemption that takes place in a period of depression, and the effect of that redemption on the general position of the banks and on the mercantile situation.

In each of the three decades—that of the "seventies," of the "eighties," and of the "nineties"—Canada has participated to a greater or less extent in the depression in trade suffered by North America. The earliest of these was by far the most important. Following the Confederation of the Provinces in 1867 there was a remarkable period of growth, which lasted till 1873. Exports increased fifty-six per cent.; imports over seventy-five per cent. Millions were spent on the railroads, and immigration was heavy. Many new banks were formed and the existing banks increased their capital largely.

Date.	*Note circulation.*	*Public deposits.*	*Current loans.*
June 30, 1867	$10,102,439	$31,662,591	$54,899,142
December 31, 1868	10,157,488	39,528,811	53,652,499
" 1869	11,421,641	47,576,046	62,879,202
" 1870	18,526,212	52,057,191	75,673,476
" 1871	24,480,627	*50,274,170	91,867,468
" 1872	27,930,172	53,856,888	115,833,695
" 1873	29,016,659	57,906,573	122,567,148

* Decrease due to a change in the form of the statement.

The preceding table shows the increase in the bank-note circulation, in deposits and in loans.

In 1873 there was no great panic to mark the turn of the tide. The activity simply began to slacken, and 1874 saw the reaction well in force. It continued till 1879. The course of the three items, bank circulation, deposits and loans, is shown in the next table:

DECEMBER 31,	*Bank circulation.*	*Public deposits.*	*Current loans.*
1874	$28,465,192	$69,108,464	$142,847,511
1875	23,257,721	60,105,523	122,630,596
1876	23,275,701	63,648,754	127,296,669
1877	21,794,212	63,768,653	120,056,645
1878	21,455,641	66,406,516	121,351,231
1879	22,252,761	68,486,422	102,058,661

Commencing in 1879 and 1880 a new era of prosperity set in, and between 1882 and 1886 a number of new banks were incorporated. Except for the collapse of the land boom in Manitoba in 1884 this revival was not followed by exceptional disasters. The bank circulation touched its lowest point in the ten years between 1882 and 1892, in August, 1884, when it stood at $28,000,000. The highest point touched was in October, 1892, $39,000,000. During the whole ten years it remained practically level except for the fall expansion to move the crops. Deposits steadily increased, but not with great rapidity, as did also the loans. On December 31, 1892, the note circulation reached $36,194,028, which amount was, up to that time, the highest record for December with the single exception of the year 1882. The following shows the contraction which occurred in the depression beginning with 1893:

DECEMBER 31,	*Note circulation.*	*Public deposits.*	*Current loans.*
1892	$36,194,024	$170,220,452	$198,582,160
1893	34,418,936	170,479,224	200,397,498
1894	32,375,620	180,080,649	195,836,141
1895	32,565,179	187,119,573	202,068,259
1896	33,095,784	196,630,223	210,522,074

The point to be noticed in these tables is that in the periods that followed the prosperous years the decrease in note circulation was accompanied by a liquidation of loans. The same phenomenon was present in the period 1883–1887. The situation worked out something in this manner. The circulation decreased because it was not needed to carry on the business of the country. When their notes are not needed nothing that the banks can do will avail to keep them in circulation. They may make loans stipulating as a condition that the borrowers shall take the proceeds in the form of bank notes and circulate those notes throughout the country, but they cannot stipulate or arrange that the notes shall stay out for an indefinite period. Whenever they pay them out they are sure to fall into the hands of competitors who will press them in and demand for them gold or legals. Some of the banks which have failed endeavored to avoid the duty of redemption which thus falls naturally to the lot of every bank that operates under the Canadian system. These banks paid a commission of one-eighth per cent. and higher to brokers and others for circulating their notes through the country. But the trick was found to be not very effective; the notes still persistently returned, and when the matter of the commissions was found out the credit of the banks suffered. When the note circulation falls it is accompanied usually by a fall in public deposits payable on demand. These represent the working balances of the customers of banks, and when business is not active these balances are drawn down to pay off obligations at home or abroad. From the effects of the two factors, the fall in note circulation and the fall in current account balances, many of the banks find their resources decreased so much as to compel

them sometimes to accelerate a little the voluntary liquidation of loans that takes place at this time.

The situation is complicated occasionally by the evil results that follow imprudent actions of some particular banks. During times of prosperity, when there is a great demand for loans and when profits are good, there are always some bankers who venture in their eagerness for profits beyond the limits of safety. A period of contraction such as this speedily brings these men to book, and if it happens that their affairs have been very badly mismanaged there is some disturbance created by their struggles. This induces other bankers who have been more careful in their loans to desire to strengthen themselves, and they accordingly hold hard in their loanings, and exercise a little pressure where they can do so, in order to increase their stock of legals.

However unpleasant these circumstances may be for Canadians, it can be seen that under them it is not possible for a redundant currency to force out the country's stock of gold. When the money is not required by the people to carry in their pockets or in their tills, it means that the banking companies which created that money have got to provide at once the means for its retirement. There is no possibility that a redundancy in the Canadian currency by itself will cause a flow of funds to Montreal or Toronto in such heavy volume as to break the rates of interest so disastrously as to tempt both our own people and foreigners to borrow money in Canada to meet commitments in all parts of the world; to tempt our merchants to import goods beyond their needs and weaken by the loss in gold or foreign credits the excellent foreign position which the Canadian banks have long held. There are plenty who stoutly contend even now that Canada at least is not down on the slate for a depression in trade at this time. These people have some strong arguments to sustain their position, and their contentions may be borne out in quite a large measure by the events of the future. Much hinges on the crops in the Northwest; also the extensive programme of railroad construction now finally decided upon should exert a considerable influence on the commerce and industry of the Dominion.

H. M. P. ECKARDT.

PUBLIC AND BANK HONESTY.—The United States Fidelity and Trust Company is authority for the statement that in 1901 the banks of the country lost $1,665,109 from defalcations, and in 1902, $1,709,801. The editor of "Midland Municipalities" is responsible for the statement that the loss of Federal, county, and municipal governments from the same cause was $1,283,055 in 1901, and in 1902, $1,067,789. So that for these two years the employees and officers of banks defaulted in the amount of $1,024,569 more than did all the public officials in the country.

This is an interesting and in some ways a remarkable showing, as the opinion quite generally prevails that there is more dishonesty in public than in private service, and especially on the part of municipal employees. To be sure, these figures do not take into consideration the exorbitant prices which oftentimes the city, State or nation is compelled to pay; no more do the others take into consideration the profits accruing from watered stock and other peculiar devices for making money. They concern solely the question of honesty, and show that the average public officer is as honest as the bank officer.—*The Outlook.*

We fail to see wherein these figures have any value as to the relative honesty of public officials and bank officers. Such comparison could be made only when it was known how much money was handled by each class, how many public officers and how many bankers were included, and what were the respective opportunities of each class for being dishonest.

TENNESSEE BANKERS' ASSOCIATION.

The Tennessee bankers went to St. Louis this year for their convention, which was held in the Tennessee building on the World's Fair Grounds, on June 15 and 16. A full report of the convention was not received in time for presentation in this number of the MAGAZINE.

W. A. SADD,
Former President Tennessee Bankers' Association.
(President Chattanooga Savings Bank.)

Following are the officers chosen at the convention: President, Joseph P. Gaut, President Holston National Bank, Knoxville; secretary, Samuel H. Orr, General Manager Nashville Trust Co., Nashville; treasurer, James H. Faircloth, Cashier First National Bank, Martin; vice-president for Southern Tennessee, T. G. Garrett, President First National Bank, South Pittsburg; vice-president for Middle Tennessee, A. R. Dodson, Cashier Merchants' State Bank, Humboldt; executive committee, T. R. Preston, President Hamilton Trust and Savings Bank, Chattanooga; J. H. Fall, Vice-President Fourth National Bank, Nashville; L. T. Ward, Collierville; N. P. Le Sueur, Cashier American National Bank, Nashville; J. Arnold, President Bank of Cookeville; R. N. Hutton, Cashier Bank of Bell Buckle; W. P. Lang, Cashier Cleveland National Bank; F. B. Fisher, Cashier Jackson Banking Co., Jackson; Walter Howell, Cashier Kenton Bank, Kenton.

MAINE BANKERS' ASSOCIATION.

The annual convention of the Maine Bankers' Association was held at Rockland, June 25, W. D. Mussenden, Treasurer of the Bath Trust Co., presiding.

The association reports an increase of fourteen in the membership in the past year.

After concluding the business of the convention a banquet was held at the Samoset Hotel. The officers for the ensuing year were chosen as follows:

President, E. G. Wyman, Cashier First National Bank, Bangor; vice-president, A. L. Templeton, Cashier First National Bank, Lewiston; secretary, J. R. Gould, Augusta; treasurer, G. A. Safford, Cashier Northern National Bank, Hallowell. Executive council, president, vice-president, secretary and treas- also E. A. Noyes, Treasurer Portland Savings urer, Bank; J. F. Percival, Cashier People's National Bank, Waterville; Frank Nelson, Cashier Calais National Bank; F. D. Hill, Cashier Bath National Bank, and E. F. Berry, Cashier North National Bank, Rockland.

W. D. MUSSENDEN,
Former President Maine Bankers' Association.
(Treasurer Bath Trust Co., Bath, Me.)

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Stockholders of the Trust Company of America at a meeting held June 28 voted to reduce the capital from $2,500,000 to $1,000,000, the reduction to be effected by declaring a cash dividend of sixty per cent.

—The Germania Bank, which already had a branch at First avenue and Seventy-seventh street, recently opened another at 155th street and Third avenue.

—Redmond, Kerr & Co., of this city and Philadelphia, were succeeded by Redmond & Co. on July 1. This change is due to Henry S. Kerr's retirement from active business. Henry S. Redmond, senior member of the old firm, O. J. Thomen, James C. Bishop and William R. Cross will comprise the new firm.

—The National Park Bank has been designated as the Fiscal Agency in the city of New York for the State of Kansas, dating from July 1, 1904.

—On June 18 the specie holdings of the banks belonging to the New York Clearing-House amounted to $236,366,300, the highest amount ever reported.

—Some of the Savings banks of the city have increased their dividend rate from 3½ to four per cent. This increase in the dividend rate is attributed to some extent to the decreased holdings of Government bonds, and a larger investment in railway and other securities paying a better interest rate.

—The Guaranty Trust Co. of New York reported on June 30 capital, surplus and undivided profits $7,125,856 and deposits $41,157,093. Its resources include $2,296,646 New York city and State bonds, $9,888,708 other bonds and stocks, $18,843,715 loans and $11,651,217 cash on hand and in bank.

—Messrs. Fisk & Robinson, of 35 Cedar street, New York, and 28 State street, Boston, in their "Monthly Bulletin of Investments" for July, give an interesting and careful review of the market for railway and Government bonds, and also concisely describe a number of attractive investment securities.

—The Board of Consuls of New York Chapter, American Institute of Bank Clerks, held its annual meeting, Thursday evening, June 9, to elect officers for the year ensuing.

A spirited contest developed for the presidency between Messrs. O. H. Cheney and J. A. Neilson, resulting in the election of Mr. Neilson, of Brown Bros. & Co., by a majority of four votes. Other officers were chosen as follows: N. D. Alling, Nassau Bank, 1st vice-president; W. I. Dey, People's Bank, 2d vice-president; E. N. Wilson, Hanover National Bank, secretary and treasurer; L. J. Grinin, New York County Bank, chief consul; and F. W. Knolhoff, Irving National Bank, secretary to board of consuls.

—The Bowery Savings Bank, whose deposits already amount to $86,000,000, still wants more, and has issued some very attractive illustrated advertising matter, showing how easy it is to make deposits by mail or in the usual way.

—Plans were filed recently for the new building of the National Park Bank in place of its present structure at 214 Broadway. The new bank is to be seven stories tall, with a basement story in addition. It will have a Broadway front of 59.5 feet and a depth of 60.5½ feet joining the annex now being completed, which fronts both on Fulton and Ann streets, in the rear of the original building.

The main building is to have a facade of decorated limestone harmonizing with the annex in effect and having a great, arched central window three stories high directly above a triple set of massive entrance doors at the basement story. There is to be a spacious entrance hall floored and walled in marble and a staircase of marble and ornamental metal.

The officers' main room is to occupy the first floor, and there will be dining rooms for the President and the Vice-President on the sixth story, and a large dining hall for the clerks on the seventh story. The interiors are to be finished in mahogany and chestnut.

The Broadway building is to cost $250,000 and the entire structure, including the annex wings, more than $1,000,000.

—President L. V. F. Randolph has issued his report of the condition and operations of the Consolidated Stock and Petroleum Exchange for the fiscal year ending May 31. Stock clearances for the past year were 125,553,760 shares—a gain of over 8,700,000 shares compared with the preceding year. The transactions in grain showed total clearances of 636,391,000 bushels, which was a slight falling off compared with 1902-3, but a gain of 164,110,000 bushels over 1901-2.

The standard which the Exchange endeavors to maintain is illustrated by the following extract from President Randolph's report: "The Exchange welcomes men of correct principles and suitable financial equipment. It desires no others in its membership."

—Plans are under way for the organization of two National banks—the Battery Park National Bank, which will be near the new Custom House, with a capital of $200,000 and a surplus of $100,000, and the Ætna National Bank, at Greenwich and Warren streets. The Ætna National will have $200,000 capital, and interested in it are J. M. Coward and C. Henry Mattlage, Vice-President of the Irving National Bank.

—The Eastern Trust Co., which was incorporated in May, 1902, with $1,000,000 capital and $950,000 surplus, has decided to go out of business. It is announced that after paying all other debts there will be $1,900,000 left for distribution among stockholders.

NEW ENGLAND STATES.

Providence, R. I.—On June 21 announcement was made of the consolidation of the Weybosset National Bank with the Union Trust Co. This is the second local banking institution absorbed by the trust company within a comparatively short time.

Connecticut Bankers Meet.—At the annual meeting of the Connecticut Bankers' Association, held at New Britain June 22, the following resolution was presented and referred to the executive committee:

"*Resolved*, That the president appoint a committee to consider and recommend as to the advisability of the matter of establishing a bank in New York, to be owned and operated by the banks of Connecticut, having for its objects making of Connecticut checks par in New York and the transaction of a general banking business with and for the benefit of the Connecticut banks, said committee to report at the next annual meeting or a special meeting."

Maine Savings Banks.—F. E. Timberlake, Bank Examiner, has recently issued a statement showing that the total resources of the fifty-one Savings banks of Maine on April 30, 1904, were $81,890,584, compared with $80,538,169 on October 31, 1903. Deposits were $75,107,203 and $76,188,128 respectively on the dates named.

MIDDLE STATES.

Pittsburg.—Robert Wardrop, President of the People's National Bank, was recently elected an additional Vice-President of the Safe Deposit and Trust Co. of Pittsburg. E. G. Normecutt, formerly Assistant Secretary, was elected Secretary.

—At a meeting of the shareholders of the Diamond National Bank, June 6, it was decided to increase the capital from $500,000 to $600,000, the new shares being issued at $400, thus adding $300,000 to the surplus, and making that item $1,616,000.

—It is reported that the Provident Trust Co., of Allegheny, is now controlled by the German-American Savings and Trust Co., of this city.

Pennsylvania Bankers' Association.—The next annual convention of the Pennsylvania Bankers' Association will be held at the Hotel St. Charles, Atlantic City, N. J., October 6 and 7.

Plainfield, N. J.—The Plainfield Trust Co., which commenced business June 4, 1902, shows the following statement as the result of two years' business: Capital, $100,000; surplus, $90,000; undivided profits, $15,676; deposits, $1,083,175.

This is certainly a gratifying exhibit, and speaks well for the management of the company, composed of the following: President, O. T. Waring; Vice-Presidents, A. V. Heely and Henry A. McGee; Secretary and Treasurer, J. Herbert Case; Assistant Secretary, Edward F. Feickert.

SOUTHERN STATES.

Louisiana Banking Laws.—Bills have been brought before the Louisiana Legislature to improve the State banking laws. Among the changes suggested are provisions for enforcing the double liability against shareholders, and requiring that before any bank is permitted to begin business the State Examiner shall certify that the necessary amount of capital has been paid in; also restricting the borrowing powers of banks. Louisiana has long maintained a high standard of banking, and these measures are designed to re-enforce existing regulations for promoting sound banking.

Richmond, Va.—At a meeting of the board of directors of the First National Bank, June 9, John B. Purcell was elected President to succeed the late Virginius Newton.

Atlanta, Ga.—On June 28 the Lowry National Bank declared its thirty-second semi-annual dividend of five per cent. out of the net earnings for the past six months.

Beaumont, Tex.—Owing to ill-health, which will necessitate an absence from Beaumont for some time, Mr. D. Call has resigned as President of the Beaumont National Bank, and has been succeeded by T. S. Reed, an old and prominent member of the board of directors. Mr. Call retains his stock in the bank and continues a director, and will be a Vice-President.

New Orleans.—At a recent meeting of the directors of the Commercial National Bank, J. H. Fulton, who has been Manager of the bank, was elected Vice-President and Manager. He was also elected to fill a similar position in the Commercial Trust and Savings Bank.

These changes are both in the nature of promotions and are a recognition of the efficient services which Mr. Fulton has already rendered these two institutions.

Activity in Cotton.—During the month of May the Louisiana and Arkansas Railway handled 1,844 bales of cotton, as against 657 bales for the same month of 1903, and 805 bales for May, 1902. For the cotton season to May 31, 1904, the amount handled was 26,794 bales, as compared with 16,032 bales for the same month of 1903 and 16,584 for May, 1902.

During the month of May the Gulf and Ship Island Railroad Company handled 299 bales of cotton, as compared with 340 bales in May, 1903.

For the eleven months ending May 31, 1904, the amount handled was 51,010, as against 47,448 bales for the same period in 1903.

Norfolk, Va.—It is reported that the Citizens' Bank has absorbed the Virginia-Carolina Trust Co., the directors of the last-named institution being added to the board of the Citizens' Bank, of which W. W. Moss, former President of the Virginia-Carolina Trust Co., becomes President.

Mr. Moss, who is thirty-five, is one of the youngest bank Presidents in the State, and is at the head of one of the largest State banking institutions.

Treasurer of the Georgia Bankers' Association.—At a meeting of the executive council of the Georgia Bankers' Association, held in Macon, Ga., Friday, June 3, 1904, Oscar E. Dooly was elected treasurer to succeed George H. Plant, resigned.

Mr. Dooly is among the well known young bankers of Georgia, is Cashier of the Home Savings Bank of Macon, Assistant-Cashier of the American National Bank, and Manager of the Macon Clearing-House Association.

WESTERN STATES.

Peoria, Ill.—Weston Arnold, who has been Cashier of the Commercial-German National Bank for twenty years, resigned on June 22, and was succeeded by Elwood Cole, who has for some time ably filled the position of Assistant Cashier. Mr. Arnold had reached the age of sixty-five and his health is somewhat impaired, and besides his long banking career fairly entitled him to a release from the cares of active business life.

Rockford, Ill.—The Manufacturers' National Bank reported on June 9 total deposits of $1,154,697, having more than doubled in the last three years. The bank's new building, erected at a cost of about $50,000, will be ready for occupancy some time this month.

Indianapolis, Ind.—Frank L. Powell has been elected President of the Capital National Bank, succeeding W. F. Churchman, who retains a controlling interest in the bank and will be Vice-President. Orlando M. Packard, Vice-President, has resigned and will engage in business elsewhere. Mr. Churchman's resignation was due to failing health.

Frank L. Powell is one of the well-known bankers of Indiana, having been for twenty years connected with the National Branch Bank at Madison, of which he is now President, and also President of the Madison Trust Co. The National Branch Bank is the successor of a bank founded by Mr. Powell's father over seventy years ago. Mr. Powell was formerly President of the Indiana Bankers' Association.

Chicago.—Dating from July 1 the capital of the Hibernian Banking Association is to be $1,000,000 instead of $500,000 as heretofore. The new stock was sold at $200 a share, the premium being added to undivided profits, making that item about $1,000,000 also.

—The Northern Trust Company has purchased Bryan Block at the northwest corner of La Salle and Monroe streets for $850,000 and will erect a $2,000,000 bank and office building on it.

Minneapolis, Minn.—The German-American Bank has increased its capital from $60,000 to $100,000.

Covington, Okla.—On May 18 the Bank of Covington failed, and in reporting the matter some of the newspapers erroneously stated that it was the Covington State Bank. THE BANKERS' MAGAZINE, however, stated the matter correctly in the June issue.

Kansas Banks Prospering.—On July 2 State Bank Commissioner Morton Albaugh made a statement showing that the banks of Kansas have over $105,000,000 of deposits. He also declared that the banks of the State generally were never in a better condition.

Cleveland, Ohio.—The Cleveland Trust Co., which has $1,750,000 capital, $1,050,000 surplus and $21,000,000 deposits, gained nearly $600,000 in deposits and 500 new accounts in the month of May. This continued growth is attributed to financial strength of the company; the personnel of its directors, the vigorous watchfulness of its officers and employees, and particularly to the courteous and liberal treatment accorded depositors. The depositor of a dollar is as cordially welcomed as any other customer.

PACIFIC SLOPE.

Montana Bankers' Association.—On June 24 a circular letter was mailed to each of the eighty-nine banks in Montana announcing a meeting of the bankers of the State to be held at Helena, October 5 and 6, for the purpose of organizing a State bankers' association.

San Francisco.—Negotiations have been in progress for some time in San Francisco, it is said, looking to the organization of an international banking corporation by local capitalits and a Japanese syndicate. According to the plans outlined the institution is to have a capital of $10,000,000 and is to be the dominating influence in the financial relations between the United States and the Orient. The movement to start the gigantic concern came from Japan with the proposal that $5,000,000 would be subscribed in that country if the other half of the capitalization would be supplied in America.

Butte, Montana.—At a meeting of the directors of the Daly Bank and Trust Co., June 21, John C. Lalor was elected President to succeed John D. Ryan, resigned. John G. Morony was elected Vice-President and Manager. Mr. Morony is Cashier of the First National Bank, Great Falls, Mont., and John C. Lalor, the new President of the Daly Bank and Trust Co., is the business manager of the Daly estate, and was for a long time Marcus Daly's private secretary.

UNITED STATES PUBLIC DEBT.

	Apr. 1, 1904.	*May 1, 1904.*	*June 1, 1904.*	*July 1, 1904.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,591,650	156,593,100	156,593,100	156,593,150
Refunding certificates, 4 per cent	29,880	29,130	29,120	29,080
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt	$895,156,740	$895,157,440	$895,157,430	$895,157,440
Debt on which interest has ceased	2,670,510	2,347,480	2,109,950	1,970,920
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	38,689,396	38,663,611	37,717,056	35,526,542
Fractional currency	6,870,587	6,869,851	6,869,850	6,869,250
Total non-interest bearing debt	$392,294,846	$392,268,326	$391,321,769	$389,130,655
Total interest and non-interest debt.	1,290,122,096	1,289,773,246	1,288,589,149	1,286,259,016
Certificates and notes offset by cash in the Treasury:				
Gold certificates	467,660,869	493,457,869	489,974,869	494,290,569
Silver "	473,085,000	472,555,000	471,662,000	470,476,000
Treasury notes of 1890	14,372,000	13,987,000	13,473,000	12,978,000
Total certificates and notes	$955,117,869	$979,999,869	$975,109,869	$977,744,569
Aggregate debt	2,245,239,965	2,269,773,115	2,263,699,018	2,264,003,585
Cash in the Treasury:				
Total cash assets	1,399,011,475	1,404,406,842	1,373,468,690	1,382,657,911
Demand liabilities	1,024,311,479	1,033,487,654	1,060,181,175	1,063,630,669
Balance	$374,699,996	$370,919,188	$313,287,515	$319,027,242
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	224,699,996	220,919,188	163,287,515	169,027,242
Total	$374,699,996	$370,919,188	$313,287,515	$319,027,242
Total debt, less cash in the Treasury.	915,422,100	918,854,058	975,301,634	967,231,774

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

American National Bank, San Diego, Cal.; by Louis J. Wilde, et al.

Georgetown National Bank, Georgetown, Ill.; by Gordon Grimes, et al.

Farmers' National Bank, Freeport, Pa.; by H. G. Gates, et al.

First National Bank, Kiester, Minn.; by C. W. Tuebner, et al.

First National Bank, Owasso, I. T.; by S. T. Wolfe, et al.

First National Bank, Commerce, Ga.; by W. B. Hardman, et al.

Century National Bank, Milwaukee, Wis.; by W. D. Gray, et al.

Bartlett National Bank, Bartlett, Tex.; by Jno. T. Bartlett, et al.

Nanticoke National Bank, Nanticoke, Pa.; by D. Sylvester Pensyl, et al.

First National Bank, Patterson, Pa.; by E. E. McMeen, et al.

First National Bank, Windsor, Ill.; by J. W. Moberly, et al.

First National Bank, Brantley, Ala.; by J. J. Rainer, et al.

First National Bank, Hartsville, Ind., by S. L. Howard, et al.

Dallas National Bank, Dallas, Oreg.; by R. W. Hoyt, et al.

First National Bank, Finley, N. D.; by E. E. Taisey, et al.

Citizens' National Bank, Shelbyville, Ill.; by E. A. Richardson, et al.

Arlington National Bank, Arlington, Tex.; by James Ditto, et al.

First National Bank, Rocky Mount, N. C.; by Wm. H. S. Burgwyn, et al.

First National Bank, Hudson, S. D.; by James F. Toy, et al.

First National Bank; Cambridge, Minn.; by S. S. Petterson, et al.

Harvard National Bank, Harvard, Neb.; by P. H. Updike, et al.

First National Bank, Edgar, Neb.; by C. A. Voorhees, et al.

First National Bank, Linton, Ind.; by James F. Keach, et al.

First National Bank, Brundidge, Ala.; by A. G. Seay, et al.

Granger National Bank, Granger, Tex.; by J. C. Anderson, et al.

First National Bank, Bertha, Minn.; by W. E. Parker, et al.

First National Bank, Mulberry Grove, Ill.; by L. A. Osborne, et al.

First National Bank, Plainville, Kans.; by F. C. Cochran, et al.

Old National Bank, New Brighton, Pa.; by Charles C. Townsend, et al.

First National Bank, Colton, S. D.; by Martin Larson, et al.

Batavian National Bank, La Crosse, Wis.; by E. E. Bentley, et al.

First National Bank of Cornwall, Cornwall-on-the-Hudson, N. Y.; by Clark J. Brown, et al.

First National Bank, Medford, Oreg.; by Geo. R. Lindley, et al.

First National Bank, Montpelier, Idaho; by E. A. Burrell, et al.

First National Bank, Van Buren, Ark.; by W. H. H. Shibley, et al.

First National Bank, Calistoga, Cal.; by Jacob Grimm, et al.

First National Bank, Senecaville, O.; by C. M. Hutchison, et al.

New Cumberland National Bank, New Cumberland, Pa.; by Geo. W. Reily, et al.

First National Bank, Wilmington, Cal.; P. E. Hatch, et al.

Farmers' National Bank, Clarksville, O.; by A. S. Rice, et al.

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Newton Falls Banking Co., Newton Falls, O.; into First National Bank.

Farmers and Traders' Bank, Braymer, Mo.; into First National Bank.

People's State Bank, Diller, Neb.; into First National Bank.

Keystone Bank, Pittsburg, Pa.; into Keystone National Bank.

Kingman State Bank, Kingman, Kans.; into Farmers' National Bank.

NATIONAL BANKS ORGANIZED.

7268—First National Bank, Deer Creek, Minn. Capital, $25,000; Pres., E. J. Webber; Vice-

Pres., Leverette W. Babcock; Cas., A. D. Baker; Asst. Cas., H. J. Baker.

7269—Farmers and Merchants' National Bank, Grandview, Tex. Capital, $30,000; Pres., O. L. Wilkinson; Vice-Pres., J. B. Harrell; Cas., R. E. Pitts.

7270—National Citizens' Bank, Charles Town, W. Va. Capital, $50,000; Pres., Braxton D. Gibson; Vice-Pres., John C. Burns; Cas., H. C. Getzendanner; Asst. Cas., J. Frank Turner.

7271—First National Bank, Bolivar, Mo. Capital, $25,000; Pres., Richard B. Viles; Cas., Leslie M. Payne; Asst. Cas., Chas. W. Viles.

7272—First National Bank, Hood River, Oreg. Capital, $25,000; Pres., R. Smith; Vice-Pres., F. S. Stanley; Cas., E. O. Blanchar.

7273—First National Bank, Belle Plaine, Minn. Capital, $25,000; Pres., J. G. Lund; Vice-Pres., F. J. Bohland; Cas., H. B. Kamp; Asst. Cas., F. E. Rix.

7274—First National Bank, Lewistown, Mont. (successor to Judith Basin Bank). Capital, $100,000; Pres., Herman Otten; Vice-Pres., David Hilger; Cas., Geo. J. Bach; Asst. Cas., W. B. Miner.

7275 First National Bank, Clendenin, W. Va. Capital, $25,000; Pres., L. V. Koontz; Vice-Pres., J. A. Osborne; Cas., P. W. Osborne; Asst. Cas., D. E. Stump.

7276—First National Bank, Catlin, Ill. Capital, $25,000; Pres., C. V. McClenathan: Cas., W. S. Douglas.

7277—First National Bank, Loup City, Neb. Capital, $25,000; Pres., A. P. Culley; Cas., W. F. Mason; Asst. Cas., L. Hansen.

7278—First National Bank, Thomas, Okla, Capital, $25,000; Pres., J. S. Houston; Vice-Pres., F. D. Curphey; Cas., T. S. Garvin.

7279—First National Bank of San Mateo County, Redwood City, Cal. (successor to Bank of San Mateo County). Capital, $102,800; Pres., J. L. Ross; Vice-Pres., P. P. Chamberlain; Cas., L. P. Behrens; Asst. Cas., F. K. Towne.

7280—First National Bank, Galeton, Pa. Capital, $50,000; Pres., W. C. Park; Cas., W. B. Layton.

7281—Olive Hill National Bank, Olive Hill, Ky. Capital, $25,000; Pres., W. J. Rice; Cas., Claude Wilson; Asst. Cas., A. W. Kozee.

7282—First National Bank, Mountain Grove, Mo. Capital, $25,000; Pres., J. M. Hubbard; Vice-Pres., T. I. Pitts; Cas., E. J. Green.

7283—First National Bank, Waterville, Minn. Capital, $25,000; Pres., F. H. Wellcome; Vice-Pres., Geo. E. Greene; Cas., James M. Knudson.

7284—National Bank of John A. Black, Barbourville, Ky. Capital, $30,000; Pres., John A. Black; Vice-Pres., Joseph Miller; Cas., Edward England; Asst. Cas., Henry C. Black.

7285—National Bank of Commerce, Dodge City, Kansas; capital, $25,000; Pres., C. Q. Chandler; Vice-Pres., J. W. Berryman; Cas., H. A. Burnett.

7286—Tamaqua National Bank, Tamaqua, Pa.; capital, $100,000; Pres., F. P. Spiese; Vice-Pres., C. B. Dreher; Cas., A. L. Leopold.

7287—First National Bank, Norway, Ia.; capital, $25,000; Pres., C. P. Christianson; Vice-Pres., Geo. A. Doebel; Cas., John T. Smith.

7288—Montrose National Bank, Montrose, Colo. (successor to Western Slope Bank); capital, $36,000; Pres., J. W. Tripler; Vice-Pres., John C. Bell; Cas., Geo. O. Gilbert.

7289—Duncan National Bank, Duncan, Ind. Ter.; capital, $30,000; Pres., J. M. Armstrong; Vice-Pres., W. W. Payne and J. M. Robbertson; Cas., J. D. Wade; Asst. Cas., F. W. Jarboe.

7290—Richmond Borough National Bank, Stapleton, N. Y.; capital, $100,000; Pres., Josiah W. Place; Vice-Presidents, Chas. F. Wigan and Frederick A. Verdon; Cas., T. F. Brinsmaid.

7291—People's National Bank, Lakewood, N. J.; capital, $50,000; Pres., W. J. Harrison.

7292—First National Bank, Mora, Minn.; capital, $25,000; Pres., Chas. Keith; Vice-Pres., J. C. Pope; Cas., Geo. H. Newbert; Asst. Cas., Gunda M. Anderson.

7293—National Bank of Norman, Norman, Okla.; capital, $25,000; Cas., S. N. Brees.

7294—First National Bank, Havelock, Ia.; capital, $25,000; Pres., J. P. Farmer; Vice-Pres., S. H. Gill; Cas., W. H. Harris; Asst. Cashiers, A. F. Clarke and T. G. Demsray.

7295—First National Bank; Fingal, N. D.; capital, $25,000; Pres., Thomas Casey; Vice-Pres., L. A. Batcheller; Cas., C. E. Batcheller.

7296—Pingree National Bank, Ogden, Utah; capital, $175,000; Pres., Job Pingree; Vice-Presidents, W. Abbott, Joseph Scowcroft and James Mack; Cas., James Pingree.

7297—Wellesley National Bank, Wellesley, Mass.; capital, $50,000; Pres., Isaac Sprague; Vice-Pres., Chas. N. Taylor; Cas., F. E. Garside.

7298—Farmers' National Bank, Oberlin, Kans.; capital, $50,000; Pres., M. E. Mix; Vice-Presidents, C. M. Sawyer and S. A. Fish; Cas., John P. O'Grady; Asst. Cas., S. O. Stowell.

7299—National Bank of Commerce, Guthrie, Okla.; capital, $100,000; Pres., J. W. McNeal; Vice-Pres., A. L. Cockrum; Cas., Wm. S. Stiles.

7300—First National Bank, Madison, Ga.; capital, $50,000; Pres., W. P. Wallace; Vice-Pres., H. H. Fitzpatrick; Cas., T. M. Douglas.

7301—Commercial National Bank, Pendleton, Ore.; capital, $50,000; Pres., R. Clyde Beach; Vice-Pres., T. G. Hailey; Cas., W. L. Thompson.

7302—Jewell County National Bank, Burr

Oak, Kans.; capital, $50,000; Pres., M. C. Berkeley; Vice-Pres., F. E Burke; Cas., L. Monbeck.

7303—Home National Bank, Eureka, Kans.: capital, $25,000; Pres., G. S. Sallyards; Vice-Pres., Samuel Holmes; Cas., Elwood Marshall.

7304—First National Bank, Inwood, Ia. (successor to Peoples' Savings Bank); capital, $25,000; Pres., E. Renshaw; Vice-Pres., Herbert Renshaw; Cas., Chris. Erickson, Jr.

7305—Cooperstown National Bank, Cooperstown, N. Y.; capital, $50,000; Pres., Andrew R. Smith; Vice-Pres., Datus E. Siver; Cas., John R. Kirby.

7306—First National Bank, Shamrock, Texas; capital, $25,000; Pres., J. M. Shelton; Vice-Pres., Thomas B. Lee; Cas., O. P. Jones.

7307—Goodhue County National Bank, Red Wing, Minn.; capital, $150,000; Pres., F. Busch; Vice-Pres., John H. Rich; Cas., C. F. Hjermstad; Asst. Cas., Emil L. Lee.

7308—American National Bank, Lynchburg, Va. (successor to Krise Banking Co.): capital, $100,000; Pres., R. F. Bopes; Vice-Pres., P. A. Krise; Cas., W. K. Smiley.

7309—First National Bank, Coin, Ia.; capital, $25,000; Pres., T. H. Read; Vice-Pres., Elbert A. Read; Cas., J. F. Schick.

7310—First National Bank, Millsboro, Pa.; capital, $25,000; Pres., Geo. L. Moore; Vice-Pres., Osman McCarty; Cas., Louis Klein.

7311—First National Bank, Corning, Ark. (successor to Citizens' Bank); capital, $25,000; Pres., J. M. Hawks; Cas., H. W. Conger.

7312—First National Bank, Edinboro, Pa.; capital, $25,000; Pres., Warren Perry; Vice-Pres., P. W. Tucker; Cas., D. E. Gillaspie.

7313—First National Bank, Plainville, Kan.; capital, $50,000; Pres., C. G. Cochran; Vice-Pres., N. F. Shaw; Cas., F. C. Cochran.

7314—First National Bank, Tracy City, Tenn.; capital, $25,000; Pres., F. B. Martin; Vice-Presidents, Martin Marugg and F. M. C. White; Cas., W. G. Dillon.

7315—First National Bank, Carpio, N. D.; capital, $25,000; Pres., L. M. Due; Vice-Pres., O. V. Eckert; Cas., Ed. Christensen.

7316—Woods National Bank, San Antonio, Tex.; capital, $200,000; Pres., John Woods; Vice-Pres., W. G. Lee Woods; Cas., W. F. Woods.

NEW BANKS, BANKERS, ETC.

ALABAMA.

DECATUR—Merchants' Bank (Branch of Florence);

FLORALA—Bank of Florala; capital, $15,000; Pres., W. H. Britton; Vice-Pres., W. C. McLauchlin; Cas., Theo. S. Lanz.

MIDVILLE—Bank of Midville; capital, $15,000; Pres., L. O. Benton; Vice-Pres., R. M. Murphree; Cas., C. W. Powers.

SILOAM—Bank of Siloam; capital, $15,000; Pres., Jno. F. Holden; Vice-Pres., James B. Dolvin.

ARIZONA.

DOUGLAS—Arizona Trust and Banking Co; capital, $30,000; Pres., Geo. Mitchell; Vice-Pres., E. A. Von Arnim; Sec., L. C. Hanks.

ARKANSAS.

FULTON—Bank of Fulton; capital, $10,000; Pres., H. L. B'Shers; Vice-Pres., Wm. Temple; Cas., T. C. Hockersmith.

SUCCESS—Bank of Success; Pres., J. D. Polk; Vice-Pres., W. D. Polk; Cas., U. S. Wells.

CALIFORNIA.

PASADENA—Bankers' Savings Bank; capital, $25,000; Pres., Isaac Bailey; Vice-Pres., Gustavus H. Bauer; Cas., E. E. Webster.

SACRAMENTO—Goethe Bank; capital, $25,000; Pres., H. J. Goethe; Vice-Pres., C. M. Goethe; Cas., H. T. Goethe.

COLORADO.

EVANS—Bank of Evans; capital, $25,000; Pres., H. Van Buskirk; Cas., E. W. Balfour.

FLORIDA.

TAMPA—Security Title and Trust Co.; capital, $10,000: Pres., W. F. Himes; Vice-Pres., J. Tom McCollum; Treas., F. L. Rutland.

GEORGIA.

CORDELE—Merchants and Farmers' Bank; capital, $25,000; Pres., L. O. Benton; Vice-Pres., C. C. Greer; Cas., J. W. Cannon.

IDAHO.

MACKAY—D. W. Standord & Co.; capital, $100,000; Pres., D. W. Standord; Vice-Pres., D. L. Evans; Cas., D. R. Jones; Asst. Cas., Henry Vandewood.

MOHLER—Bank of Mohler; capital, $25,000; Pres., O. M. Collins; Cas., D. V. Dowd.

STITES—Bank of Stites, Ltd.; capital, $10,000; Pres., J. E. Horton; Vice-Pres., A. F. Parker; Cas., A. D. Gray; Asst. Cas., Theo. Tollefson.

ILLINOIS.

CATLIN—Commercial Bank; capital, $30,000; Pres., G. W. Tilton; Vice-Pres., W. F. Keeney; Cas., J. R. Colyer.

CHICAGO—Central Hyde Park Bank (W. K. Young & Bro.); Cas., Jordan B. Cottle.—People's Trust and Savings Bank; capital, $200,000; Pres., S. R. Flynn; Vice-Pres. and Cas., W. J. Rathje.—Union Stock Yards State Bank; capital, $200,000; Pres., R. J. Schlesinger; Vice-Pres., W. A. Tilden; Cas., H. E. Otte.

CISSNA PARK—Iroquois County Bank (successor to Young & Hamilton); Pres., E. L. Weise; Vice-Pres., M. H. Keefe; Cas., C. C. Amsler; Asst. Cas., A. C. Amsler.

DURAND—Durand State Bank; capital, $25,-

000; Pres., Niles Patterson; Vice-Pres., H. L. Norton; Cas., Edw. Nelson.

FINDLAY—Findlay Bank: Pres., Wm. Truitt; Cas., Carl F. Truitt.

HERMON—Frank Shelly; capital, $5,000; Asst. Cas., Frank Reece.

HULL—First International Bank; capital, $200,000; Pres., W. F. Chamberlain; Vice-Pres., J. W. Sperry; Cas., W. W. Somers.

JAMAICA—Witherspoon's Bank (successor to W. C. Messner): capital, $30,000.

OSWEGO—Oswego Banking Co.; Pres., F. H. Earl; Cas., F. A. Phelps.

PETERSBURG—Schirding & Son; Cas., J. H. Keese; capital, $30,000.

PIERSON STATION—Pierson Bank; Cas., F. W. Read.

RANTOUL—Commercial Bank; Pres., A. O. Neal; Vice-Pres., Paris Robinson; Cas., Glenn Robinson.

SEATON—Farmers' State Bank; capital, $25,-000; Pres., H. C. Reily; Vice-Pres., J. E. Greer; Cas., A. L. Kellogg; Asst. Cas., J. F. Reily.

SYCAMORE—Pierce Trust and Savings Bank (successor to Daniel Pierce & Co.); capital, $50,000; Pres., Fred. B. Townsend; Vice-Pres., Daniel P. Wild; Cas., C. Sivwright.

TILDEN—Bank of Tilden; Pres., Wm. Stevenson; Vice-Pres., Thomas F. Lindsay; Cas., A. R. Lindsay.

ULLIN—Bank of Ullin; capital, $20,000; Pres., L. F. Robinson; Vice-Pres., C. M. Hileman; Cas., L. E. Chenault.

INDIANA.

BIPPUS—Knight Bros.

CHALMERS—State Bank (successor to Farmers' Bank); capital, $50,000; Pres., Charles Van Voorst; Vice-Pres., Samuel M. Burns; Cas., John S. Hinesley.

ELKHART—Farmers and Merchants' Bank; capital, $100,000; Pres., Thomas Snell; Vice-Pres., T. T. Snell; Cas., M. W. Demarest.

KIRKLIN—State Bank (successor to Bank of Kirklin); capital, $27,000; Pres., C. B. McClamroch; Vice-Pres., A. C. Littleton; Cas., E. J. Goar.

NEW ALBANY—Mutual Trust and Deposit Co.; capital, $50,000; Pres., John S. McDonald; Vice-Pres., Alexander Dowling; Sec., Claude L. Balthis.

RENSSELAER—State Bank; capital, $25,000; Pres., John Egan; Cas., Delos Thompson.

INDIAN TERRITORY.

HOLDENVILLE—Planters' Trust Co.; capital, $12,500; Pres., J. A. Chapman; Vice-Pres., N. A. Gibson; Sec., W. S. Haston; Treas., J. O. Chapman.

SULPHUR—First State Bank; capital, $25,000; Pres., G. M. Weems; Vice-Pres., T. E. Cate; Cas., R. O. Weems.

TISHOMINGO—Southern Trust Co.; capital, $200,000; Pres., C. S. Cobb; Sec. and Treas, C. B. Burrows; Cas., W. C. Rudisill.

IOWA.

BERKLEY—Farmers' Bank; capital, $25,000; Pres., D. F. Gilman; Cas., E. D. Carter.

BROOKLYN—Poweshiek County Savings Bank (successor to Poweshiek County Bank); capital, $40,000; Pres., O. F. Darrance; Vice-Pres., Albert Davidson; Cas., T. E. Roderick; Asst. Cas., L. R. Mills.

DONAHUE—Donahue Savings Bank; capital, $10,000; Pres., G. F. Burmeister; Vice-Pres., Frank Keppy, Sr.; Cas., Frank C. Keppy.

HAMPTON—State Savings Bank (successor to Farmers and Merchants' Bank); capital, $25,000; Pres., C. M. Goodyear; Vice-Pres., Casper Wolf; Cas., J. J. McGuire; Asst. Cas., O. F. Myers.

HILLS—Hills Savings Bank; capital, $10,000; Pres., J. A. Goetz; Vice-Pres., Silas Gilaspy; Cas., Joseph Salker; Asst. Cas., C. A. Walker.

READLYN—Readlyn Savings Bank; capital, $10,000; Pres., H. Wm. Meyerhoff; Vice-Pres., Carl Bruns; Cas., J. W. Hough.

ST. CHARLES—St. Charles Savings Bank; capital, $10,000; Pres., J. G. Olmsted; Vice-Pres., Francis Power; Cas., W. A. Tris.

WELLSBURG—Wellsburg Savings Bank (successor to Bank of Wellsburg); capital, $20,-000; Pres., Geo. Wells; Vice-Pres., J. C. Lusch; Cas., Charles Beibesheimer; Asst. Cas., D. Claussen.

KANSAS.

BENTON—Benton State Bank; capital, $10,000; Pres., James Parks; Vice-Pres. and Asst. Cas., Clyde McGrew; Cas., J. W. Collins.

CENTERVILLE—Centerville State Bank; capital, $10,000; Pres., H. H. McGee; Vice-Pres., J. C. Blain; Cas., C. H. Brown; Asst. Cas., A. W. Cook.

DELPHOS—Farmers and Merchants' State Bank; capital, $10,000; Pres., W. W. Bowman; Vice-Pres., J. B. Sage; Cas., H. C. Wones.

JEWELL—Citizens' State Bank; capital, $25,-000; Pres., Benjamin Musser; Vice-Pres., J. C. Schaefer; Cas., Wm. A. Matson; Asst. Cas., J. E. Stidham.

MORROWVILLE—Morrowville State Bank; capital, $10,000; Pres., C. W. Hawes; Vice-Pres., T. H. Eves; Cas., J. R. Hyland.

THAYER—Citizens' State Bank; capital, $12,-000; Pres., J. W. Beach; Vice-Pres., J. E. Christie; Cas., L. W. Stillwell.

WALNUT—Farmers' State Bank; capital, $10,000; Pres., James A. Carlton; Vice-Pres., D. B. Gregory; Cas., Geo. Goff.

WESTPHALIA—People's State Bank; capital, $10,000; Pres., T. J. Williams; Vice-Pres., Chas. Volland; Cas., G. A. Cayot.

KENTUCKY.

BOONEVILLE—Owsley County Bank; capital, $7,500; Pres., Ed. Campbell; Vice-Pres., E. E. Hogg; Cas., T. C. Fuller.

BOWLING GREEN—Deposit and Savings Bank; capital, $10,000; Pres., John F. Dun-

avan; Vice-Pres., Walter H. Miller; Cas., R. K. McGinnis.

CANEY—Farmers and Merchants' Bank; capital, $7,500; Pres., A. K. Day; Vice-Pres., J. B. Howard; Cas., S. M. Nickell; Asst. Cas., W. L. Hammond.

CLARKSON—Bank of Clarkson; capital, $15,000; Pres., R. J. Bassett; Vice-Pres., W. C. Kellar; Cas., A. P. Stone.

LOUISIANA.

JACKSON—Bank of Jackson; capital, $10,000; Pres., D. H. Taylor; Vice-Pres., E. S. Woodfin; Cas., J. D. Youngblood.

PLAIN DEALING—Plain Dealing Bank; capital, $10,000; Pres., H. H. Montgomery; Vice-Pres., P. G. Pye and W. B. Boggs.

MICHIGAN.

CALEDONIA—State Bank; capital, $20,000; Pres., Chas. Rice; Vice-Pres., J. T. Smith and Frank E. Campau; Cas., Elmer B. Hale.

CARO—Commercial Savings Bank (successor to Tuscola County Bank); capital, $35,000; Pres., John F. Seeley; Vice-Pres., S. F. Chase; Cas., Lewis G. Seeley; Asst. Cas., Sabin Hooper.

MINNESOTA.

ARLINGTON—Farmers and Merchants' State Bank; capital, $20,000; Pres., E. F. Sell; Vice-Pres., P. A. Cosgrove; Cas., C. F. Maurer; Asst. Cas., A. C. Cosgrove.

BLOOMING PRAIRIE—Farmers and Merchants' Bank; capital, $15,000; Pres., T. A. Helvig; Vice-Pres., H. A. Peterson; Cas., A. E. Johnson.

CARLOS—Park Region Bank; capital, $10,000; Pres., F. W. Stevens.

ECHO—State Bank (successor to Bank of Echo); capital, $15,000.

HUMBOLDT—First State Bank; capital, $10,000; Pres., J. W. Wheeler; Vice-Pres., N. J. Nelson; Cas., Edward Florance.

MINNEAPOLIS—Merchants and Manufacturers' State Bank; capital, $50,000; Pres., A. M. Hovland; Vice-Pres., O. N. Nelson; Cas., T. A. Haugen; Asst. Cas., J. H. Meier.

ODIN—Odin State Bank (successor to Odin Bank); capital, $10,000; Pres., W. M. Jacobson; Vice-Pres., Nils J. Servik; Cas., J. C. Jensen.

PINE CITY—Pine City State Bank; capital, $10,000; Pres., F. H. Wellcome; Vice-Pres., H. W. Harte; Cas., I. H. Claggett.

ST. MICHAELS STATION—German-American State Bank; capital, $10,000; Pres., John M. Haven; Vice-Pres., J. P. Eull and J. H. Dick; Cas., L. V. Klein.

TORAH—State Bank of Richmond (successor to Bank of Richmond); capital, $10,000; Pres., A. G. Whitney; Cashier, P. A. N. Vreyens.

MISSISSIPPI.

CLARKSDALE - Clarksdale Savings Bank; capital, $10,000; Pres., W. P. Holland; Vice-Pres., E. L. Anderson; Cas., C. R. King.

GUNNISON—Bank of Gunnison; capital, $15,000; Pres., J. M. Kirk; Vice-Pres., M. H. Alford; Cas., W. I. Brashears.

KILMICHAEL—Bank of Kilmichael; capital, $15,000; Pres., D. L. Wilburn; Vice-Pres., N. L. Knox.

LELAND—Delta Bank; capital, $33,800; Pres., R. W. Garrison; Vice-Pres., A. M. Lane; Cas., M. H. Bell.

NETTLETON—People's Bank and Trust Co.; Mgr. Charles H. Roberts.

PHILADELPHIA—Bank of Granada (Branch); Cas., J. D. King.

PICAYUNE—Bank of Picayune; capital, $25,000; Pres., E. F. Tate; Vice-Pres., Daniel Carver; Cas., J. O. Yates; Asst. Cas., J. L. Megehee.

MISSOURI.

ALBA—Bank of Alba; capital, $10,000; Pres., E. B. Jacobs; Vice-Pres., H. H. Beckwith; Cas., Chas. W. Lewis.

BOWERS MILLS—State Bank; capital, $10,000; Pres., T. A. Miller; Vice-Pres., John W. Downey; Cas., R. J. Smith.

BRONAUGH—People's Bank; capital, $10,000; Cas., B. F. McReynolds.

HANNIBAL—Hannibal Trust Co.; capital, $50,000; Pres., W. J. Roth; Vice-Pres., Robert Robinson, D. H. Hofner and C. Albertson; Sec., J. B. Pollard; Treas., J. T. S. Hickman.

HERMANN—People's Bank; capital, $13,000; Pres., A. B. Walker; Vice-Pres., Oswald Kropp; Cas., E. C. Isenberg.

NEW HAVEN—Farmers' Savings Bank; Pres., R. J. Bagley; Vice-Pres., Robert Gruebbel; Cas., H. G. Kohlbusch.

SULLIVAN—People's Bank; capital, $10,000; Pres., A. Lane; Vice-Pres., C. R. Hitch; Cas., J. A. Glassey.

WESTPHALIA—Bank of Westphalia; capital, $10,000; Pres., Gerhard Plassmeyer; Vice-Pres., H. A. Brune; Cas., H. Westerman.

WINIGAN—Citizens' Bank (successor to Farmers' Bank); capital, $10,000; Pres., Geo. S. Burns; Vice-Pres., T. R. Ball; Cas., Frank Wood.

NEBRASKA.

BLAIR—Citizens' State Bank; capital, $50,000; Pres., F. H. Matthiesen; Vice-Pres., M. M. Matthiesen; Cas., D. Z. Mummert.

FREMONT—Fremont Trust and Savings Bank; capital, $15,000; Pres., R. B. Schneider; Vice-Pres., E. R. Gurney; Cas., P. Colston.

McCOOL JUNCTION—Farmers and Merchants' Bank; capital, $10,000; Pres., E. E. Lincoln; Vice-Pres., W. C. Smith; Cas., W. W. Seng.

MOUNT CLARE—State Bank; capital, $5,000; Pres., F. E. Bottenfield; Vice-Pres., Theodore Menke; Cas., R. A. R. Martin.

PICKRELL—Farmers' State Bank; capital, $5,000; Pres., Edd. Bauman; Vice-Pres., J. H. Penner; Cas., F. L. Pothast.

PLATTSMOUTH — Plattsmouth State Bank (successor to Plattsmouth Savings Bank); capital, $30,000; Pres., W. H. Newell; Vice-

Pres., Thomas E. Parmele; Cas., J. M. Roberts; Asst. Cas., C. P. Atwood.

PROSSER—Prosser State Bank; capital, $5,000; Pres., Chas. K. Hart; Cas., C. J. Hart.

WASHINGTON—Security State Bank; capital, $1,000; Pres., H. B. Waldron; Vice-Pres., Henry Simonsen; Cas., W. T. Waldron.

NEW JERSEY.

WEST HOBOKEN — Highland Trust Co. of New Jersey; capital, $100,000; Pres., Thos. McEwan, Jr.; Vice-Pres., Robert J. Hillas and Geo. R. Hough; Sec. and Treas., Chas. E. Collard.

NEW MEXICO.

GALLUP—McKinley County Bank of Beasley, Hart & Wells Co.; Pres., Edward Hart; Cas., O. N. Beasley.

NEW YORK.

E. AURORA—Roycroft Bank; capital, $50,-000; Elbert Hubbard, Proprietor; Cas., Edward B. Whiting.

ROUSE POINT—A. C. Wilcox & Co.; Cas., W. H. Coates.

NORTH CAROLINA.

CREEDMORE—Bank of Creedmore; Pres., D. P. Wagstaff; Vice-Pres., J. F. Sanderford.

GIBSON—Bank of Gibson; capital, $15,000; Pres., W. T. Pate; Cas., L. M. Blue.

KENLY—Bank of Kenly; capital, $20,000; Pres., Allen K. Smith; Vice-Pres., B. B. Adams; Cas., R. H. Alford.

NORTH DAKOTA.

EDINBURG—Merchants' Bank; capital, $10,-000; Pres., J. E. Peterson; Vice-Pres., J. B. Jamieson; Cas., J. E. Arnot.

OHIO.

CANAL DOVER—State Savings Bank; capital, $50,000; Pres., Andrew Deis; Vice-Pres., J. A. Slingluff; Cas., S. J. Brister; Asst. Cas., J. E. Slingluff.

FREMONT—Colonial Savings Bank and Trust Co.; capital, $75,000; Pres., J. H. Clauss; Vice-Pres., J. W. Pero and T. H. Jungk; Cas., S. J. Hirt; Asst. Cas., T. A. Lang.

WEST MANSFIELD—Farmers' Savings Bank; capital, $10,000; Pres., W. A. Bell; Vice-Pres., G. F. Platner; Cas., C. C. Keller.

OKLAHOMA.

ELK CITY—State Exchange Bank; capital, $15,000; Pres., O. B. Kee; Vice-Pres., Chas. E. Davis and Chas. A. Huber; Cas., O. H. Cafky; Asst. Cas., N. B. Davis.

GOLTRY—Bank of Goltry (successor to Bank of Karoma); capital, $10,000; Pres., J. C. McClelland; Vice-Pres., J. D. Butts; Cas., Chas. M. Delzell.

MUTUAL—Farmers' Bank; capital, $6,000; Pres., A. L. McPherson; Vice-Pres., Ed. E. McPherson; Cas., Ed. S. Roberts.

PUTNAM—First State Bank; capital, $10,000; Pres., J. W. Morrison; Vice-Pres., J. H. Grigsby; Cas., Orin Ashton; Asst. Cas., M. M. Ashton.

SKEDEE—Citizens' State Bank; capital, $5,000; Pres., E. M. Clark; Vice-Pres., C. J. Shapard; Cas., J. E. Newell.

OREGON.

MORO—Wasco Warehouse Milling Co. (successor to Moore Bros.): capital, $300,000; Pres., W. Lord; Sec. and Mgr., E. O. McCoy; Cas., W. Stanley.

PENNSYLVANIA.

PHILADELPHIA—Bank of Commerce; capital, $200,000; Pres., Isaac Blum; Vice-Pres., Lewis W. Wister; Cas., W. Oliver Craig.

SOUTH CAROLINA.

SANTUCK—Bank of Santuck; capital, $10,-000; Pres., Wm. T. Stokes, Jr.

SOUTH DAKOTA.

FEDORA—Bank of Fedora; capital, $3,500; Pres., B. H. Millard; Vice-Pres., L. H. Wheeler; Cas., Elva Neely.

GAYVILLE—Security State Bank (successor to Bank of Gayville); capital, $25,000; Pres., John O. Aasith; Vice-Pres., Ole N. Junker; Cas., W. H. McMaster.

PIERPONT—First State Bank; capital, $10,-000; Pres., J. C. Bassett; Vice-Pres., Isaac Lincoln; Cas., C. C. Guernsey.

TENNESSEE.

HUMBOLDT—Farmers' Exchange Bank; Pres., J. B. Stallings; Vice-Pres., J. F. Craddock; Cas., M. B. Charles.

JASPER—Marion Trust and Banking Co.; capital, $10,000; Pres., S. H. Alexander; Vice-Pres., T. G. Garrett; Cas., A. L. Spear.

MUNFORD—Munford Savings Bank and Trust Co.; capital, $10,000; Pres., J. B. Witherington; Vice-Pres., W. M. Abernathy; Cas., S. H. Bass.

OLIVER SPRINGS—Bank of Oliver Springs; Capital, $15,000; Pres., D. C. Richards; Vice-Pres., W. T. Gallaher; Cas., Samuel Tunnell; Asst. Cas., R. M. Childress.

RUTHERFORD—Citizens' State Bank; capital, $25,000; Pres., J. E. Kyzer; Vice-Pres., P. H. Northern and T. C. Howell; Cas., Wright McDaniel.

TEXAS.

CARBON—Bank of Carbon; Pres., W. H. Eddleman; Vice-Pres., W. A. Waldrop; Cas., J. E. Spencer.

FORT WORTH—Texas State Trust Co.; capital, $100,000; Pres., R. E. Maddox; Treas., J. D. Read.

MCGREGOR—Farmers' Bank; W. W. Dyerle; Cas., W. E. Crews.

MIAMI—Bank of Miami (successor to Lee & Co.); capital, $10,000; Pres., Robert Moody; Vice-Pres., D. J. Young; Cas., Wm. S. Martin; Asst. Cas., T. F. Moody.

ROANOKE—Continental Bank and Trust Co.; Asst. Cas., L. J. Brian.

SULPHUR BLUFF—Merchants and Farmers' Bank; capital, $10,700; Pres., J. M. Flem-

ming; Vice-Pres., H. N. Mahaffey; Cas., Ed. Hargrave; Asst. Cas., J. W. St. Clair.

VIRGINIA.

NORFOLK—Mercantile Bank; Pres., C. C. Cobb; Vice-Pres., J. G. McNeal; Cas., R. E. Thompson.

PORTSMOUTH—Portsmouth Trust and Security Co.; capital, $20,000; Pres., W. T. Claud; Sec. and Treas., L. E. Rogers.

WASHINGTON.

QUINCY—Bank of Quincy; capital, $15,000; Pres., F. G. Hale; Cas., F. M. Hale.

STANWOOD—Bank of Stanwood; capital, $25,000; Pres., H. C. Anderson; Vice-Pres., Peter Leque; Cas., W. C. Brokaw; Asst. Cas., S. A. Thompson.

STARBUCK—First Bank; Pres., E. A. Mears; Cas., W. C. Barkuloo.

WISCONSIN.

GENOA JUNCTION—Bank of Genoa Junction; capital, $5,000; Pres., H. M. Holton; Vice-Pres., John Moore; Cas., Tom Moore.

WYOMING.

SHERIDAN—State Loan and Trust Co.; capital, $50,000; Pres., B. F. Perkins; Vice-Pres., J. D. Helvig; Sec. and Trea., H. E. Zullig.

CANADA.

NOVA SCOTIA.

ANTIGONISH—Bank of Nova Scotia.

RIVER HEBERT—Bank of Nova Scotia.

WINDSOR—Bank of Nova Scotia.

ONTARIO.

NIAGARA-ON-THE-LAKE—Sovereign Bank of Canada; A. W. Clark, Mgr.

WYOMING—Sovereign Bank of Canada (successor to E. A. Westland & Co.).

NORTHWEST TERRITORY.

LLOYDMINSTER—Canadian Bank of Commerce.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

ENSLEY—Bank of Wylam; absorbed by Bank of Ensley.

MOBILE—First National Bank; Henry Hall, Pres. in place of James H. Masson.

ARKANSAS.

POCAHONTAS—Randolph County Bank; W. T. Bispham no longer Cas.

CALIFORNIA.

DOWNEY—Los Nietos Valley Bank; capital increased to $75,000.

LOS ANGELES—Union Savings Bank; capital increased to $100,000.

PASADENA—Pasadena National Bank; Gus H. Bauer, Second Vice Pres.

COLORADO.

CASTLE ROCK—First National Bank of Douglas Co.; Chas. Hy. Ellis, Pres. in place of B. B. Sheffield; R. J. Dabell, Cas. in place of E. P. Brown.

DELTA—First National Bank; N. H. Castle, Asst. Cas.

GUNNISON—First National Bank; H. C. Lawrence, Asst. Cas.

CONNECTICUT.

NEW HAVEN—Merchants' National Bank; Charles S. Mersick, Pres., deceased.

STAFFORD SPRINGS—First National Bank; Cyril Johnson, Pres. in place of E. C. Dennis; Christopher Allen, Vice-Pres. in place of Cyril Johnson.

GEORGIA.

STATESBORO — Bank of Statesboro; S. C. Groover, Asst. Cas.

ILLINOIS.

AURORA—German-American National Bank; Jacob J. Plain, Cas., reported an embezzler.

BELLEVILLE—Belleville Savings Bank; H. A. Kircher, Pres. in place of Edward Abend, Sr., deceased.

CHICAGO—Hibernian Banking Association; capital increased to $1,000,000.

DE LAND—First National Bank; G. Hursh, Cas. in place of G. R. Trenchard; E. B. Chenoweth, Asst. Cas. in place of George Hursh.

MARISSA—First National Bank; Thomas F. Baynes, Asst. Cas. in place of M. H. Marshall.

MATTOON—Mattoon National Bank; no Cas. in place of E. T. Guthrie.

PEORIA—Commercial-German Nat. Bank; Elwood Cole, Cas. in place of Weston Arnold, resigned.

INDIANA.

DILLSBORO - First National Bank; no Pres. in place of D. W. Cole.

INDIANAPOLIS — Capital National Bank; Frank L. Powell, Pres. in place of Wm. F. Churchman; Wm. F. Churchman, Vice-Pres.; Orlando M. Packard, Vice-Pres., resigned.

PETERSBURG—Citizens' State Bank; James Shawhan, Pres., deceased.

RENSSELAER—Rensselaer Bank; Joseph C. Harris, Cas., deceased.

INDIAN TERRITORY.

OKTAHA—Citizens' Bank; purchased by Citizens' Bank, Checotah.

EUFAULA—Eufaula National Bank; R. M. Counterman, Vice-Pres. in place of T. B. Benson.

POTEAU—First National Bank; J. M. Sorrels, Pres. in place of J. H. Myers.

TULSA—First National Bank; L. Appleby, Vice-Pres. in place of C. W. Brown; C. W. Brown, Cas. in place of S. F. Jones.

IOWA.

DAVENPORT — Union Savings Bank; S. L. Ely, Cas., deceased.

GILMORE—First National Bank; George W. Black, Vice-Pres. in place of A. S. Brown.

GUTHRIE CENTER—Center Bank; James H. Rogers, Asst. Cas., deceased.

WATERLOO—Black Hawk National Bank and Waterloo National Bank; consolidated under former title; Richard Holmes, First Vice-Pres. in place of T. K. Elliott; F. W. Powers, Second Vice-Pres. in place of H. W. Gruetzmacher; T. K. Elliott, Cas.; R. A. Law, Asst. Cas.

KANSAS.

CALDWELL — Caldwell National Bank; no Vice-Pres. in place of Ira E. Swain; Ira E. Swain, Cas. in place of M. M. Fulkerson; P. Carmean, Asst. Cas.

CANEY—Home National Bank; R. H. Bradley, Cas. in place of G. F. St. John.

INDEPENDENCE—First National Bank; R. S. Litchfield, Vice-Pres.

KENTUCKY.

GLENDALE—Glendale Banking Co.; capital increased to $15,000.

LEBANON—Citizens' National Bank; R. Y. McElroy, Pres. in place of R. B. Lancaster, deceased; N. H. Putnam, Vice-Pres. in place of R. Y. McElroy.

LEXINGTON—Central Bank; D. Elliott Kelley, Cas., deceased.

LOUISVILLE—Third National Bank; J. E. Bohannon, Vice-Pres., resigned.

SCOTTSVILLE—Allen County Bank; capital increased to $35,000.

LOUISIANA.

NEW ORLEANS—Commercial National Bank; J. H. Fulton, Vice-Pres. and Manager.—— Commercial Trust and Savings Bank; J. H. Fulton, Vice-Pres. and General Manager; E. B. LaPice, Inspector.

SHREVEPORT—People's Bank; absorbed by Commercial National Bank.

MAINE.

YORK VILLAGE — York County National Bank; Ruth P. Bragdon, Asst. Cas., resigned.

MARYLAND.

BALTIMORE—American Bonding and Trust Co.: James Bond, President, resigned.—— Wilson, Colston & Co.; James G. Wilson, deceased.——National Howard Bank; F. A. Dolfield, Asst. Cas.

CAMBRIDGE—National Bank of Cambridge; no Asst. Cas. in place of James C. Johnson.

MASSACHUSETTS.

BOSTON—First National Bank; capital increased to $2,000,000.

MALDEN—First National Bank; Elisha S. Converse, Pres., deceased.

NORTH ATTLEBORO—Attleborough National Bank; H. F. Barrows, Pres., deceased.

WALTHAM—Waltham National Bank; H. B. Buncher, Asst. Cas.

WILLIAMSTOWN — Williamstown Savings Bank; A. E. Hall, Pres. in place of John Bascom, resigned.

WORCESTER—Worcester Co. Instn. for Savings; Charles A. Chase, Pres.; Alfred L. Aiken, Asst. Treas.

MICHIGAN.

ADRIAN—Waldby & Clay's State Bank: capital increased to $75,000.

LAKE LINDEN—First National Bank; John E. Jones, Cas., deceased.

MINNESOTA.

DULUTH—Duluth Savings Bank; B. M. Peyton, Sec., resigned.

HENNING—State Bank; reported consolidated with First National Bank.

LITCHFIELD—First National Bank; A. C. Eastman, Asst. Cas. in place of P. Rodange.

MINNEAPOLIS — German-American Bank; capital increased to $100,000.

MISSISSIPPI.

MACON—Bank of Macon; G. J. Robertson, Vice-Pres.; C. B. Dorroh, Cas. in place of N. Scales; H. N. Scales, Asst. Cas.

MISSOURI.

INDEPENDENCE—Chrisman-Sawyer Banking Co.; Aaron Flint Sawyer, Pres., deceased.

SEDALIA—Sedalia Trust Co.; H. W. Meuscheke, Pres. in place of John T. Heard.

ST. JOSEPH—National Bank of St. Joseph; H. W. Fuelling, Asst. Cas.

MONTANA.

BUTTE—Daly Bank and Trust Co.; John C. Lalor, Pres. in place of John C. Ryan; John G. Morony, Vice-Pres.——State Savings Bank; capital increased to $300,000; surplus increased to $300,000.

NEBRASKA.

OMAHA—Merchants' National Bank; Ben B. Wood, Vice-Pres., deceased.

TILDEN—Tilden State Bank; F. McGiverin, Pres. in place of G. A. Luikart, deceased.

WILBER—National Bank of Wilber; M. S. Gay, Vice-Pres. in place of C. Duras; C. Duras, Cas. in place of F. F. Gay.

NEW HAMPSHIRE.

EAST JAFFREY—Monadnock Savings Bank; John G. Townsend, Treas. in place of Chas. R. Kittredge, deceased.

LANCASTER—Lancaster National Bank; W. H. McCarten, Asst. Cas.

SALMON FALLS—Rollinsford Savings Bank; William H. Norton, Pres., deceased.

NEW JERSEY.

DOVER—National Union Bank; E. H. Baldwin, Vice-Pres.; Walter L. Day, Cas. in place of E. H. Baldwin.

WILDWOOD—Marine National Bank; R. Penn Smith, Cas., resigned.

NEW YORK.

ADAMS—Farmers' National Bank; Harrison Fuller, Vice-Pres., deceased.

HOMER—Homer National Bank; George A. Brockway, Pres. in place of A. H. Bennett; E. G. Ramsey, Vice-Pres. in place of Geo. A. Brockway.

LOWVILLE — Black River National Bank; Charles P. Leonard, Pres., deceased.

NEW PALTZ — Huguenot National Bank; Easton Van Wagenen, Act. Cas. in place of Jacob Deyo, deceased.

NEW YORK—S. F. Johnson & Co.; S. F. Johnson, deceased.——Real Estate Trust Co.; Henry W. Reighley, Second Vice-Pres. and Sec.; Charles M. Van Kleeck, Asst. Sec.——Stout & Co.; Joseph S. Stout, deceased.——Trust Company of America; capital reduced to $1,000,000.——People's Bank; John B. Forsyth, Asst. Cas.

PEEKSKILL—Westchester County National Bank; Cyrus Frost, Vice-Pres., deceased.

PORT CHESTER—First National Bank; John W. McCarty, Vice-Pres. in place of John W. Lounsbury, deceased.

ROCHESTER—Rochester Savings Bank; Hobart F. Atkinson, Pres. in place of James Brackett, deceased; Frederick Cook, First Vice-Pres.

ROSLYN—Roslyn Savings Bank; James R. Willets, Treas., deceased.

SARATOGA SPRINGS—Citizens' Nat. Bank; J. H. De Ridder, Cas., resigned.

WALDEN—National Bank of Walden; R. A. Demarest, Cas.; no Asst. Cas. in place of E. Whitehead.

NORTH CAROLINA.

CHARLOTTE — First National Bank; Frank Gilreath, Pres. in place of M. P. Pegram; Geo. W. Bryan, Vice-Pres. in place of Frank Gilreath; H. M. Victor, Cas. in place of D. W. Oates.

DUNN—First National Bank; T. C. Young, Cas.

LILLINGTON—First National Bank of Sanford; removed to Lillington and title changed to National Bank of Lillington; C. Halloway, Cas. in place of T. C. Young.

OHIO.

BARBERTON—American National Bank; W. H. Auck, Cas. in place of A. W. Blackburn; no Asst. Cas. in place of W. H. Auck.

BELLAIRE—Farmers & Merchants' Bank Co.; capital increased to $100,000.

CINCINNATI — Third National Bank; C. H. Kellogg, Pres. in place of J. D. Hearne; C. C. Chase, Vice-Pres. in place of C. H. Kellogg.——A. L. Rich Co.; J. E. Bohannon, Vice-Pres.——National La Fayette Bank; C. J. Stedman, Vice-Pres.; W. H. Simpson, Cas. in place of C. J. Stedman; B. G. Caragua, Asst. Cas. in place of W. H. Simpson.

CLEVELAND — First National Bank; James Barnett, Pres., deceased.

HAMILTON — Second National Bank; C. E. Heiser, Pres. in place William E. Brown, deceased; J. E. Heiser, Cas. in place of C. E. Heiser; no Asst. Cas. in place of J. E. Heiser.

NILES—First National Bank; W. A. Thomas, Pres. in place of A. J. Leitch, deceased.

TOLEDO — Second National Bank; C. F. Adams, Pres. in place of Geo. W. Davis, deceased; no Cas. in place of C. F. Adams.

YOUNGSTOWN—First National Bank; Henry M. Garlick, Pres. in place of Robert McCurdy; Henry Todd and Henry M. Robinson, Vice-Pres.; R. E. Cornelius, Asst. Cas.

OKLAHOMA.

ALVA — Alva National Bank; G. A. Harbaugh, Pres. in place of L. R. Mason; J. H. Schaefer, Vice-Pres. in place of G. A. Harbaugh; M. M. Fulkerson, Cas. in place of S. R. Bruce.

CLINTON—First National Bank; H. B. Johnson, Vice-Pres. in place of C. E. Billingsley.

ENID—Bank of Enid; capital increased to $50,000. —— First National Bank; C. M. Lewis, Cas. in place of J. H. Durrell; W. R. Haskard, Asst. Cas. in place of C. M. Lewis.

HOBART — Farmers & Merchants' National Bank; J. D. Robertson, Pres. in place of A. H. Bedford; H. A. Jones, Vice-Pres. in place of James T. Bluett; W. C. Kelsay, Cas. in place of J. K. Spears; no Asst. Cas. in place of L. D. Slusher.

JENNINGS—Bank of Jennings and Jennings State Bank; consolidated under latter title; G. M. Weems, Pres. in place of G. W. Canfield.

LAWTON—First National Bank; Geo. M. Paschal, Pres. in place of W. C. Stevens; W. H. Quinette, Vice-Pres. in place of C. E. Billingsley; Guy C. Robertson, Cas. in place O. P. M. Butler; no Asst. Cas. in place of O. R. Burnham.

LEXINGTON—Lexington National Bank; title changed to First National Bank.

THOMAS—Farmers & Merchants' Bank; absorbed by First National Bank.

WEATHERFORD — National Exchange Bank and First National Bank; consolidated under latter title.

PENNSYLVANIA.

CATAWISSA—First National Bank; Luther Eyer, Vice-Pres. in place of C. P. Pfahler.

CLAIRTON—Clairton National Bank; A. G. Wilson, Pres. in place of Carl C. Law; W. W. Payne, Vice-Pres. in place of Joseph Langfitt; Thomas E. Poe, Cas. in place of Joseph Griffith.

CONNELLSVILLE — Second National Bank; Worth Kilpatrick, Pres. in place of Joseph T. McCormick; J. M. Reid, Vice-Pres. in place of Worth Kilpatrick.

DERRY—First National Bank; B. W. Brown, Vice-Pres.

DONORA—Union Trust Co. and Bank of Donora; reported consolidated.

LANGHORNE—People's National Bank; Gove Mitchell, Cas., deceased.

LEBANON—First National Bank; D. J. Leopold, Asst. Cas.

LEWISBURG—Union National Bank; H. C. Wolfe, Vice-Pres. in place of John F. Duncan, deceased.

MAHANOY CITY—First National Bank; Edward S. Silliman, Pres. in place of Edward S. Silliman, Sr., deceased.

NEW HOLLAND—New Holland National Bank; Cornelius F. Roland, Pres., deceased.

NORRISTOWN -People's National Bank; B. B. Hughes, Cas. in place of Lewis Styer.

PHILADELPHIA—Redmond, Kerr & Co.; (succeeded by Redmond & Co.——Jamison Bros. & Co.; Benton K. Jamison, Jr., deceased.

PHILIPSBURG—First National Bank; G. W. McGaffey, Pres. in place of Wm. P. Duncan, deceased.

PITCAIRN—First National Bank; Edwin H. Hill, Cas. in place of A. W. Graham.

PITTSBURG—Diamond National Bank; capital increased to $600,000.——Provident Trust Co.; absorbed by German-American Savings and Trust Co.

TOWANDA—First National Bank; Geo. W. Kipp, Pres. in place of U. M. Fell; U. M. Fell, Cas. in place of N. N. Betts.

RHODE ISLAND.

PROVIDENCE—Weybosset National Bank; absorbed by Union Trust Co.——First National Bank; absorbed by Rhode Island Hospital Trust Co.

SOUTH DAKOTA.

MADISON - Lake County Bank; incorporated as a State institution; capital, $25,000.

TENNESSEE.

SPRINGFIELD—Springfield National Bank; John Y. Hutchison, Vice-Pres. in place of J. W. Brown; J. W. Brown, Cas. in place of John Y. Hutchison.

TEXAS.

BEAUMONT—Beaumont National Bank; T. S. Reed, Pres. in place of D. Call.

BROWNSVILLE—Merchants' National Bank; E. A. McGary, Asst. Cas.

CLEBURNE—National Bank of Cleburne; W. F. Ramsey, Pres. in place of S. M. Hill; J. H. Keith, Vice-Pres. in place of W. F. Ramsey.

CLIFTON—First National Bank; F. M. Frey, Cas. in place of G. J. Gibbs.

DALLAS—National Bank of Commerce; V. E. Armstrong, Cas. in place of J. D. Estes, deceased.

DECATUR—First National Bank; T. B. Yarbrough, Vice-Pres. in place of J. Ullman; W. L. Rush, Cas. in place of T. B. Yarbrough; E. P. Gibson, Asst. Cas. in place of W. L. Rush.

FRISCO—First National Bank; J. L. White, Pres. in place of Sam Furnam; W. T. Brooke, Cas. in place of H. W. Gee.

GRAHAM—Graham National Bank; W. O. Clark, Vice-Pres.

HICO—First National Bank; G. M. Carlton, Pres. in place of R. Y. Cox.

KILLEEN—First National Bank; J. E. Root, Pres. in place of Otho S. Houston; F. S. White, Cas. in place of W. S. Watson: Jno. McDowell, Asst. Cas.

LEONARD—First National Bank; capital increased to $75,000.

LONGVIEW—Citizens' National Bank; L. J. Everett, Cas. in place of F. B. Brown.

MARSHALL—First National Bank; W. L. Barry, Cas. in place of W. C. Field.

MINERAL WELLS—First National Bank; H. N. Frost, Cas. in place of J. W. Smith.

MT. PLEASANT—Merchants and Planters' National Bank; no Asst. Cas. in place of R. F. Akridge.

ORANGE—Orange National Bank; E. W. Bancroft, Vice-Pres. in place of G. M. Sells.

SAN ANGELO—Landon National Bank; U. G. Taylor, Vice-Pres. in place of B. B. Hail; B. B. Hail, Cas. in place of E. V. Bateman.

SAN AUGUSTINE—First National Bank; Henry Lewis, Vice-Pres. in place of J. W. Saunder.

VERMONT.

BURLINGTON—Howard National Bank; F. E. Burgess, Vice-Pres. in place of D. W. Robinson.

VIRGINIA.

EMPORIA—Merchants and Farmers' Bank; P. W. Turner, Cas. in place of F. H. Hardaway.

NORFOLK—Virginia-Carolina Trust Co.; absorbed by Citizens' Bank.

RICHMOND—First National Bank; John B. Purcell, Pres. in place of Virginius Newton, deceased.——Union Bank; J. B. Beasley, Pres. in place of Virginius Newton, deceased; W. R. Massie, Cas. in place of John B. Beasley.

WASHINGTON.

BELLINGHAM - Home Security Savings Bank; Thomas S. Dalquist, Vice-Pres. in place of Victor A. Roeder.

KALAMA—Cowlitz County Bank; L. F. Imus, Pres.; J. Lombard, Vice-Pres.; J. P. Atkin, Cas.

ODESSA—State Bank; name changed to Odessa State Bank.

WILSON CREEK—State Bank; (succeeded by Citizens' Bank); J. D. Bassett, Pres.; Charles Peterson, Vice-Pres.; J. W. Brewer, Cas.

WEST VIRGINIA.

CLARKSBURG—Traders' National Bank; W. Brent Maxwell, Pres. in place of T. M. Jackson: P. M. Robinson, Vice-Pres. in place of Fleming Howell.

WISCONSIN.

LA CROSSE—First National Bank and German-American Bank; consolidated under former title; capital, $400,000.

MILWAUKEE—Marine National Bank; John Johnston, Vice-Pres., deceased.

PORTAGE—First National Bank; J. E. Wells, Pres., deceased.

STOUGHTON—First National Bank; H. A. Chipman, Vice-Pres. in place of M. A. Johnson; M. A. Johnson, Cas. in place of J. F. Melaas.

CANADA.

WOODSTOCK—Imperial Bank of Canada; Geo. Wilson, Manager in place of S. D. Raymond.

MANITOBA.

WINNIPEG—Bank of Hamilton; H. H. O'Reilly, Manager in place of Charles Patterson.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

INDIANA.

GOODLAND—Home Bank.

NORTH MANCHESTER—Bank of North Manchester.

ST. PAUL—Citizens' Bank.

IOWA.

MAQUOKETA—Exchange Bank.

WATERLOO—Waterloo National Bank; in voluntary liquidation June 15.

MASSACHUSETTS.

BOSTON—Longley, Hale & Co.

MICHIGAN.

FRANKFORT—Citizens' Bank.

NEW YORK.

JEFFERSONVILLE—Wilcox & Co.

MEDINA—Medina National Bank; in hands of Receiver June 22.

SARATOGA SPRINGS—First National Bank.

OHIO.

CAMBRIDGE—Commercial Bank.

YOUNGSTOWN—Second National Bank; in voluntary liquidation May 23.

PENNSYLVANIA.

PITTSBURG—Prudential Trust Co.

RHODE ISLAND.

PROVIDENCE—First National Bank; in voluntary liquidation June 24.——National Bank of North America; in voluntary liquidation June 14.——Mechanics' Savings Bank.

WASHINGTON.

CLEALUM—James A. Kellogg.

WISCONSIN.

ARENA—Banking House of W. H. Jones.

A WORD FOR THE EMPLOYER.—The New York State Commandery of the Military Order of the Loyal Legion held its annual dinner at Delmonico's on the evening of May 4. One of the speakers was Amos P. Wilder, editor of the "Wisconsin State Journal," who had the following to say regarding employers of labor:

"He who denounces the capitalist, as such, knows not life. He who stands on the street corner and carps at the employer of labor is an ingrate and a fool—he knows nothing of the fret of worry, the spectre of fear, the depths of despair—those grim handmaids of responsibility. There are thousands of men nursing a single smokestack or fostering a modest industry, struggling by day and tossing on a sleepless bed by night in the effort to get together the dollars with which to fill the envelopes for employees on Saturday night. This hero of this so-called 'sordid and material age' comes to the office to find bills payable and overdrawn accounts.

In these days industry is war, and he who conserves the gentle teachings of his mother's knee in the conduct of a factory or a 'trust' is greater than he who taketh a strong city. The machinery breaks down, material fails to arrive, a foreman is absent, somebody's baby is dying in a crowded home—and the echoes of all phases of life reach the counting room—the walking delegate is busy with his message of discontent, veteran employees, forgetful of the days when they were befriended, are conjuring up injuries, new rivals are establishing themselves in business.

Agriculture is a wholesome, prodigal, beautiful thing; but William McKinley was keen to recognize that it is but one of the basal industries of the land—that the smokestack is no less a pillar of our prosperity as a people.

The demagogues decry the employer; fools envy him; the malicious annoy him. And often it is only when the weary 'captain of industry' turns his head to the wall in death, when the activity his genius made possible dissolves under his withdrawn hand, when the big, idle factory pathetically echoes to the steps of the casual passerby, that the thoughtless are forced to concede that constructive work and executive ability are among the rarest and most necessary factors in community life and, when conjoined with personal worth, merit the highest commendation of God and men."

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, July 2, 1904.

INVESTMENT MONEY WAS VERY MUCH IN EVIDENCE LAST month, yet the stock market was the dullest in years. Less than 5,000,000 shares were traded in at the New York Stock Exchange, as compared with more than 15,000,000 shares in June, 1903, and nearly 20,000,000 shares in the same month in 1901. When the period during which 1,000,000 to 3,000,000 shares a day were dealt in is recalled the present inactivity in the stock market is very impressive. In the last week of the month—only five business days—the sales were 657,000 shares, equal to 131,400 shares a day. Twenty such days would not equal one of the big days in April, 1901, when the total sales for the month amounted to nearly 42,000,000 shares.

While the stock market was dull, prices were by no means weak. A few stocks show a decline, but the majority of stocks made some gain, and a number reached the highest prices of the year. There have been no special influences to affect prices either way, except the extraordinary dullness, and as that failed to weaken prices, its influence was practically nil.

In another direction there has been something in the nature of positive rather than negative encouragement. The bond market has been active, about $50,000,000 of securities having been bought and sold at the Stock Exchange during the month, or within 25 per cent. as much as the sales of a year ago. Besides this activity, there was decided strength in prices.

There was a very substantial advance in the bond market during the month, and the gains in June with previous advances since January 1 have resulted in putting prices generally on a higher level than they were a year ago. The bond market rarely moves with the same unanimity which is frequently displayed by the stock market, yet the movement of bonds in the last six months has generally been upward, while in the first half of 1903 the tendency was downward. In the first six months of 1902 a majority of bonds advanced, although there were numerous exceptions.

In the table on the following page is a list of bonds representing a par value of nearly $2,000,000,000. The prices for these bonds on or about January 2 and June 30 in each of the past three years are given for the purpose of affording a comparison not only of the ruling quotations, but also of the general movements during each half year since January, 1902. The latter will be made apparent in the average prices given in the footings, these averages being made by dividing the added prices by the number of bond issues in the table, without giving any consideration to the amount of bonds in each issue outstanding.

The average prices of the bonds mentioned increased less than 1 per cent. in the first six months of 1902, and declined nearly 3 per cent. in the second half. A decline of 1½ per cent. followed in the first half of 1903 and of 2 per cent. in the last half of that year, making a total decline of 3½ per cent. in the year 1903, and of 6⅜ per cent. from June 30, 1902, to December, 1903. There was an advance of 3 per cent., however, in the first six months of 1904, and prices on June 30 last were within ½ per cent. of those which ruled at the beginning of 1903.

NAME.	*Amount outstanding.*	*1902, Jan. 2.*	*1902, June 30*	*1903, Jan. 2.*	*1903, June 30*	*1904, Jan. 2.*	*1904, J'ne 30*
Atchison 4's....................1995	$148,000,000	103⅜	103⅛	102	100	99¼	102⅞
Balt. & Ohio 3½'s...............1925	72,000,000	95	97	93¼	94½	93¾	96½
" 4's....................1948	70,000,000	103½	102¾	102	101	101	102⅞
" S. W. div..........1925	43,000,000	90¾	91⅞	88½	89	88⅛	92¼
Central Pacific 4's..............1949	64,000,000	103⅛	102¾	101¼	98⅞	99¼	100¾
Central of New Jersey 5's......1987	45,000,000	131	139	133⅛	131½	128⅛	134½
Chesapeake & Ohio 4½'s........1992	37,000,000	106¾	108¼	108⅛	103⅞	102⅛	105⅝
Chicago & Alton 3's............1949	31,000,000	87¼	85⅛	83	81⅝	81	85
C.. B. Q. Ill. div. 3½'s..........1949	41,000,000	101¾	102¼	96	94	94	95¼
" joint 4's................1921	215,000,000	96⅞	97⅛	94¼	94¼	91⅞	97⅞
C. R. I. gen. 4's....................1988	61,000,000	105½	111¾	106¼	105½	101½	105½
Consol Tobacco 4's..............1951	157,000,000	66	66⅞	66½	60⅛	56¾	61½
Erie prior lien 4's..................1996	35,000,000	99⅛	101¼	98⅛	99⅝	96¾	100¼
" gen. lien 4's................1996	34,000,000	89⅛	89	85½	86⅛	84⅛	86
" Penn. 4's....................1951	32,000,000	95⅝	94¾	92½	90⅝	90	92¾
L. & N. unified 4's..............1940	81,000,000	100⅛	103⅛	99¾	101⅝	98⅛	102
Mexican Central 4's............1911	65,000,000	82	84⅝	76	77½	70	65
N. Y. Central 3½'s..............1997	70,000,000	108	109	108¼	103½	98¼	100½
N. Y. Cen. L. Shore 3½'s.......1998	90,000,000	97⅝	95¾	94	89¾	88¼	92¼
Nor. & West. con. 4's.......... 1996	38,000,000	102⅞	101½	100	98⅛	96¾	100⅝
Nor. Pacific 4's....................1997	101,000,000	104½	105¼	103	102½	102	104⅞
" 3's..................2047	56,000,000	78¼	74½	72¼	71⅞	71	74¼
Reading 4's.........................1997	66,000,000	98½	100½	95½	98½	95¾	101
St. Louis & San Fran. 4's.......1951	56,000,000	96½	97¼	92½	85	83	88
Southern Pacific 4½'s...........1905	30,000,000	99	99½	98⅜	97½	97¾	100¼
" Cen. Pacific 4's......1949	28,000,000	93⅝	92⅝	91	87¾	87½	93½
Southern 5's.................... 1994	39,000,000	121½	123¾	115	116	112¼	117⅝
Union Pacific 4's................1947	100,000,000	105¼	106½	102¾	102⅝	101¼	104⅞
" 4's................1911	87,000,000	106¾	107⅝	105¾	96⅜	96¼	99⅞
Wabash, series B................1939	26,000,000	66⅝	76¾	77¼	72⅝	63¾	57
Total, thirty bonds...........	$1,968,000,000	97¾	98⅝	95¾	94¼	92¼	95¼

Of the issues mentioned in the table 24 are now selling higher than they did a year ago, one is quoted the same as it was then, while five show a decline. In only two issues, however, is the decline important. Half a dozen bonds in the list are selling even higher than they did two years ago.

Accompanying the activity and strength in bonds at the Stock Exchange there has been a large and aggressive investment demand for bonds of the first class outside of the Exchange. In fact attention has been directed of late to the large brokerage business now transacted by some of the principal banks in entire independence of Stock Exchange houses.

One of the notable financial events of the month was the sale of $10,000,000 New York Central 4 per cent. debentures by J. P. Morgan & Co. They were offered at 97½ and were promptly over subscribed. Other marketings of securities included the sale of $7,500,000 Rock Island 4½ per cent. notes at about par, and the sale of the balance of a 3½ per cent. issue of $9,500,000 bonds of the Chicago, Burlington & Quincy, issued on the Illinois Division.

The announcement was also made that the Southern Pacific proposed to issue $100,000,000 7 per cent. preferred stock, but only $40,000,000 to be issued now, the remainder to be held for future disposition. The common stock now amounts to $200,000,000, nearly one-half of which is owned by the Union Pacific. No dividend is paid on the stock. The announcement of the proposed issue caused a decline in the common stock, but there was a partial recovery subsequently.

That there is a large amount of money seeking investment there seems to be no room to question. There is not the madcap race to put money into every scheme that presents itself, as was the case a few years ago, but there is a good buying demand for gilt-edged securities.

The conditions of the New York banks and the changes reported by them in their weekly statements to the clearing house are evidence of an exceptional supply of money. There has hardly been a corresponding period in the history of the banks of this city when the changes in loans, deposits and reserves equalled those

of the last six months. These items have been making new records week after week, and deposits are now larger than at any previous time, while loans are near their maximum record. In the table below is shown the amount of loans, deposits and cash reserves on January 1 and June 30 in each of the last ten years:

YEAR.	LOANS.		DEPOSITS.		RESERVES.	
	January 1.	*June 30.*	*January 1.*	*June 30.*	*January 1.*	*June 30.*
1895	$492,647,000	$518,422,300	$549,291,400	$570,436,300	$172,591,700	$176,835,000
1896	478,466,500	476,199,300	501,089,300	499,046,900	141,212,000	145,090,000
1897	491,375,900	532,707,900	530,785,000	604,983,700	165,983,200	192,630,800
1898	607,781,600	620,983,800	675,064,200	750,074,600	184,554,800	249,532,200
1899	718,308,700	786,884,000	823,087,700	905,127,800	224,940,400	240,556,500
1900	673,689,400	808,468,500	740,046,900	888,249,300	196,179,800	238,921,700
1901	796,457,200	892,381,300	854,189,200	971,382,000	225,073,200	251,329,700
1902	857,960,200	893,871,800	910,869,800	955,829,400	235,608,800	251,935,700
1903	875,352,100	913,746,900	873,115,000	903,719,800	228,472,600	238,853,800
1904	908,570,500	1,075,081,500	886,178,900	1,152,988,800	231,086,600	324,352,500

During the last six months there has been almost a continuous increase in deposits and loans since January 1st. In the latter part of May there was a temporary decrease in both items, but deposits have since exceeded all previous records, while loans are only about $4,000,000 less than the high record made on May 14. The net increase in loans in the first six months of the current year was $166,000,-000, the largest for any similar period in the last ten years. The nearest approach to this record was made in 1900, but the increase then was less than $135,000,000. In the first half of 1901 there was an increase in loans of about $96,000,000, and in 1899 of $68,500,000, while in the other years of the decade the changes ranged from a decrease of $2,000,000 to an increase of $41,000,000.

The increase in deposits in the last six months is wholly without precedent, the gain being nearly $267,000,000, which compares with $148,000,000 in 1900, $117,-000,000 in 1901, $82,000,000 in 1899, $75,000,000 in 1898, $74,000,000 in 1897, and $45,000,000 in 1902. Deposits increased $100,000,000 more than loans in the last six months.

When we come to the cash reserves of the banks we find a phenomenal increase again. The banks on June 30 held $93,000,000 more specie and legal tenders than they did on January 1st. The largest increase for the corresponding six months in any year in the last decade was $65,000,000 in 1898, the next largest $42,000,000 in 1900, and the next $26,000,000 in the years 1897 and 1901.

The exceptional position now occupied by the banks and the great ease prevailing in the money market make the estimates of the Treasury Department on the money supply of especial interest. Perhaps no more interesting point of view may be taken just now than that which touches the situation now and when the last two presidential campaigns were opening. One great party has just nominated at Chicago a candidate for President, and the other great party is gathering in conven-

	July 1, 1896.	*July 1, 1900.*	*July 1, 1904.*
Gold coin	$456,128,483	$614,918,991	$646,586,319
Gold certificates	42,320,759	200,555,469	464,806,629
Silver dollars	52,175,998	66,429,476	71,561,684
Silver certificates	331,259,509	408,499,347	462,578,715
Subsidiary silver	59,999,805	76,294,050	94,608,028
Treasury notes 1890	95,217,361	75,247,497	12,927,287
United States notes	225,451,358	316,614,114	334,491,977
Currency certificates	31,840,000	3,705,000	....
National bank notes	215,331,927	300,161,552	433 595,888
Total	$1,509,725,200	$2,062,425,496	$2,521,151,527
Average per capita	$21.15	$26.50	$30.30

tion at St. Louis to nominate its candidate. The money question was the principal issue in 1896 and 1900, but is not, apparently, to be the issue this year. The reason, perhaps, that it has ceased to be an issue is that there has been such a large increase in the supply since the silver issue was brought out, eight years ago. The amount of money in circulation on July 1st, 1896, 1900 and 1904 is shown on preceding page.

From July 1, 1896, to July 1, 1900, there was an increase in the amount of money in circulation of nearly $558,000,000, and from July 1, 1900, to July 1, 1904, an increase of $568,000,000, making for the eight years, since 1896, an increase of $1,-011,000,000, or more than 70 per cent. Of this increase, $618,000,000 was in gold, $185,000,000 in silver, $77,000,000 in United States notes (greenbacks), and $218,000,-000 in National bank notes, while $82,000,000 of Treasury notes of 1890 have been retired. With an estimated population of 81,867,000 at the present time, as compared with 71,890,000 on July 1, 1896, an increase of more than 10,000,000, the average per capita circulation has increased from $21.15 to $30.80 in the same time.

An issue that is pretty certain to be in the campaign this year will be the expenditures of the Government. The extraordinary expenditures amounting to $54,600,000, on account of the Panama Canal purchase and the loan to the St. Louis Exposition, leave the Treasury with a deficit of $41,000,000 for the year just ended. Deducting the extraordinary disbursements, there is a surplus of more than $13,000,000. In the previous year there was a surplus of nearly $53,000,000, while the revenues were only about $17,000,000 more than in the last year. In every year since 1899 there has been a surplus reported until 1904, the total in four years aggregating $300,000,000. In the six years prior to 1900 there was a deficit of $283,000,000.

For the purpose of comparing the ordinary revenues and expenditures of the Government in 1904 with those of the year 1892, 1896, 1900 we have eliminated the payment for the Panama Canal and the loan to the St. Louis Exposition. The comparison follows:

YEAR ENDED JUNE 30.	*1892.*	*1896.*	*1900.*	*1904.*
Receipts:				
Customs	$177,452,964	$160,021,751	$233,164,871	$262,018,079
Internal revenue	153,971,073	146,762,865	295,327,926	232,873,721
Miscellaneous	23,513,747	20,191,584	38,748,054	46,628,844
Total receipts	$354,937,784	$326,976,200	$567,240,851	$541,515,644
Expenditures:				
Civil and miscellaneous	$99,841,988	$87,216,235	$105,773,190	$132,230,349
War	46,895,456	50,830,921	134,774,768	115,338,695
Navy	29,174,139	27,147,732	55,953,077	102,757,704
Indians	11,150,578	12,165,528	10,175,107	10,437,336
Pensions	134,583,053	139,434,001	140,877,316	142,558,508
Interest	23,378,116	35,385,029	40,160,333	24,646,494
Total expenditures	$345,023,330	$352,179,446	$487,713,791	$527,969,086
Balance	*9,914,454	†25,203,246	*79,527,060	*13,546,558

* Surplus. † Deficit.

Compared with twelve years ago, the expenses of the Government have increased $182,000,000, of which $142,000,000 was for army and navy purposes, and $32,000,-000 for civil and miscellaneous. The fact that the revenues and expenditures of the Government now so closely approximate will cause some apprehension of a deficit, although the condition of the Treasury is such that a deficit ought not to have any disastrous results for some time to come. It is, perhaps, worthy of mention that of the $13,500,000 surplus shown for the twelve months, $5,100,000 was during the last half of the period.

The past month has not been an eventful one in the financial world. Gold exports have ceased, and from the condition of the gold reserves in foreign banks

it does not look as if they would be anxious to draw gold from the United States for a while. The Bank of France particularly has a surfeit of gold, more than $50,000,000 in excess of what it held a year ago. Germany has about $20,000,000 more, and Russia $60,000,000 more than at this time last year. England has about $10,000,000 less, but is making no effort to increase its stock.

Railroad earnings are not yet showing any substantial improvement, but with good crops, as there seems promise of, it is expected that the railroads will enjoy a larger share of prosperity than for some months past. There have been some reductions in dividends, the Lake Erie and Western reducing its semi-annual dividend from 2 to 1 per cent., while the Minneapolis and St. Louis passed its dividend on the common stock, and the Indiana, Illinois and Iowa its dividend also. The Wabash passed its semi-annual dividend on the Class A debenture bonds. Per contra the Lehigh Valley declared a dividend of 1 per cent. on its common stock, payable August 1st, the first dividend in more than ten years. The Chicago and Eastern Illinois increased the semi-annual dividend on the common stock from 3 to 5 per cent.

Railroad building shows a falling off in the first half of 1904, as compared with the previous year. It is estimated that 1,937 miles were built in 1904, as against 2,221 miles in 1903. A number of the principal railroads which were formerly active builders have practically suspended operations for the time being.

The Department of Agriculture report as to the wheat crop has given hope of a total yield this year slightly in excess of the crop of 1903. The average condition of Spring wheat on June 1 was 93.4, as compared with 95.9 a year ago. The acreage sown is estimated at 17,140,800 acres, or 0.7 per cent. less than the revised estimate of acreage sown last year. The report indicates a yield of 291,394,000 bushels of Spring wheat, while the Winter wheat is estimated at 365,627,000 bushels, a total of 657,021,000 bushels, compared with an actual yield of 637,821,835 bushels in 1903. Oats may exceed 900,000,000 bushels this year, as compared with 784,000,-000 bushels last year.

With a large increase in acreage of cotton and the prospects of the crop favorable, the price of that staple suffered a decline during the month, and was below 11 cents in New York when the month closed.

There was a heavy falling off in our exports of merchandise, the total value being only $89,766,254. This is the smallest total since April, 1899, with the exception of June and July, 1902, and August, 1903. The imports of merchandise were $80,472,407, being a net balance of exports of $9,293,847. This is the smallest balance reported for any month since June, 1897, with the exception of August last year, when the balance fell to $7,397,197. The net exports for the eleven months of the fiscal year just closed, however, exceed $458,000,000, and for the year will be considerably in excess of the balance for the previous year.

The Money Market.—There was an easy money market during the entire month and call money did not go above 1½ per cent. and was as low as 1 per cent. Time money for 60 to 90 days ruled at about 1¾ @ 2 per cent. At the close of the month call money ruled at 1⅛ @ 1¼ per cent., most of the transactions being at 1¼ per cent. Banks and trust companies loaned at 1¼ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 2 per cent. for 60 days, 2¼ @ 2½ per cent. for 90 days, 2¼ @ 2½ per cent. for 4 months, 3 per cent. for 5 months, and 3¼ @ 3½ per cent. for 6 to 8 months on good mixed collateral. For commercial paper the rates are 3½ per cent. for 60 to 90 days' endorsed bills receivable, 3¾ @ 4 per cent. for first-class 4 to 6 months' single names, and 4½ @ 5 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Feb. 1.	Mar. 1.	Apr. 1.	May 1.	June 1.	July 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances........	1¾—2	1¾—2	1⅛— 1¾	1 —1¼	1¼—1⅛	1⅛—1¼
Call loans, banks and trust companies........	2 —	1¾—	1¾—	1 —1¼	1⅛—	1¼—
Brokers' loans on collateral, 30 to 60 days........	3⅛— ¾	3 —	2⅛— 3	2¼—	2¼—	2 —
Brokers' loans on collateral, 90 days to 4 months........	4 —	3¼— ¾	3 — 3¼	2⅛— ¾	2¼—3	2¼— ¾
Brokers' loans on collateral, 5 to 7 months........	4 — ¼	4 — ¼	3¾— 4	3 — ⅛	3⅛—4	3 — ⅛
Commercial paper, endorsed bills receivable, 60 to 90 days........	4⅛—5	4¾—5	4¼— ⅛	3¾—	3¾—4¼	3⅛—
Commercial paper prime single names, 4 to 6 months........	4¾—5¼	4¾—5¼	4⅛— 5	3¾—4¼	4 —4⅛	3¾—4
Commercial paper, good single names, 4 to 6 months........	5⅛—6	5⅛—6	5 — ⅛	4⅛ —5	4⅛—5	4⅛—5

NEW YORK CITY BANKS.—Deposits made a new record last month, increasing continually until on July 2 they amounted to nearly $1,153,000,000, or almost $250,000,000 in excess of the amount reported a year ago. The increase in June was

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
June 4...	$1,036,565,200	$226,623,400	$79,887,200	$1,096,798,900	$31,760,875	$37,282,000	$907,809,400
" 11...	1,042,093,800	231,642,500	81,227,700	1,109,231,200	35,562,400	38,068,000	979,612,000
" 18...	1,049,689,800	236,366,300	83,006,700	1,122,012,500	38,869,875	38,752,800	1,046,678,000
" 25...	1,066,813,200	240,368,300	83,912,900	1,148,314,100	38,452,675	38,970,100	1,055,904,300
July 2...	1,075,031,500	239,371,800	84,980,700	1,152,988,800	36,105,300	39,209,600	1,233,921,100

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1902.		1903.		1904.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$910,860,800	$7,515,575	$873,115,000	$10,193,850	$866,178,900	$9,541,850
February......	975,997,000	26,623,350	931,778,900	27,880,775	1,023,943,800	25,129,050
March..........	1,017,488,300	9,975,925	956,206,400	5,951,900	1,027,920,400	32,150,200
April...........	965,353,300	6,965,575	894,260,000	6,280,900	1,069,369,400	27,755,050
May............	968,189,600	7,484,000	905,760,200	11,181,850	1,114,367,800	33,144,250
June............	948,326,400	11,929,000	913,081,800	9,645,150	1,098,953,500	29,692,325
July	955,829,400	12,978,350	903,719,800	12,923,850	1,152,988,800	36,105,300
August........	957,145,500	13,738,125	908,864,500	24,060,075	....	....
September....	935,998,500	9,742,775	920,123,900	20,677,925	....	....
October........	876,519,100	3,236,625	897,214,400	13,937,500	....	....
November....	893,791,200	21,339,100	885,616,600	10,274,150	....	....
December.....	883,836,800	15,786,300	841,552,000	6,125,200	....	....

Deposits reached the highest amount, $1,152,988,800, on July 2, 1904; loans, $1,078,928,600 on May 14, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
May 28....	$88,499,400	$102,419,600	$4,047,000	$5,447,000	$13,665,500	$6,940,900	$4,495,500
June 4....	88,528,700	103,254,300	4,008,700	5,410,900	13,833,500	6,894,900	4,334,425
" 11....	89,195,200	104,542,500	4,206,900	5,781,700	14,364,500	6,799,500	5,016,975
" 18....	89,300,300	104,985,500	4,174,200	5,491,700	14,616,400	7,290,900	5,326,825
" 25....	89,369,500	102,177,400	3,9·3,500	5,503,700	12,218,400	7,234,800	3,396,050

$54,000,000. Loans increased $38,000,000 since June 4 but are about $4,000,000 below the high record made on May 14. Deposits now exceed loans by nearly $78,000,000. The surplus reserve has increased $6,500,000 since the last week in May and is $23,000,000 greater than a year ago. Circulation is steadily increasing having gained about $2,000,000 in June.

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
May 28.......	$172,678,000	$211,011,000	$16,173,000	$6,759,000	$7,115,000	$109,562,700
June 4.......	171,661,000	210,513,000	15,728,000	6,757,000	7,245,000	102,599,400
" 11.......	171,857,000	210,022,000	15,774,000	7,051,000	7,399,000	110,865,700
" 18.......	171,696,000	222,472,000	17,061,000	7,378,000	7,406,000	139,723,600
" 25.......	172,653,000	216,370,000	17,071,000	7,455,000	7,370,000	122,827,100

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
May 28.................	$191,224,000	$228,410,000	$63,110,000	$11,539,000	$107,108,400
June 4.................	191,658,000	227,407,000	61,868,000	11,521,000	90,404,700
" 11.................	192,120,000	228,092,000	62,497,000	11,530,000	89,569,300
" 18.................	191,456,000	231,542,000	64,930,000	11,503,000	105,465,600
" 25.................	192,754,000	231,785,000	64,291,000	11,638,000	103,818,200

Silver.—The price of silver in London after falling to 25 5 16d. on June 4 subsequently advanced to 26⅛d. at which it closed, a net gain for the month of ¾d.

Monthly Range of Silver in London—1902, 1903, 1904.

Month.	1902.		1903.		1904.		Month.	1902.		1903.		1904.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	26 1/16	25⅜	22⅜	21 11/16	27 5/16	25⅛	July......	24 3/16	24 3/16	25⅜	24¼	....	....
February	25⅝	25 5/16	22 5/16	21⅞	27⅛	25⅝	August ..	24 7/16	24⅛	26¾	25 5/16	....	....
March....	25 7/16	24 15/16	22 13/16	22⅛	26 11/16	25⅛	Septemb'r	24⅛	23 9/16	26 7/16	26 3/16	....	....
April.....	24⅞	23 5/16	25 3/16	22⅝	25⅛	24 7/16	October..	23 13/16	23¼	28⅛	27 7/16	....	....
May......	24⅛	23 5/16	25¼	24 5/16	25 11/16	25⅛	Novemb'r	23¼	21¾	27⅝	26¼	....	....
June.....	24 7/16	23 13/16	24 3/16	24⅛	26⅛	25 5/16	Decemb'r	22⅛	21 13/16	26⅛	25	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.
Sovereigns & Bk. of Eng. notes.	$4.86	$4.89
Twenty francs..................	3.89	3.92
Twenty marks..................	4.78	4.81
Twenty-five pesetas...........	4.78	4.82
Spanish doubloons.............	15.55	15.65
Mexican doubloons............	15.55	15.65
Mexican 20 pesos..............	$19.55	$19.65
Ten guilders....................	3.95	4.00
Mexican dollars................	.46	.47½
Peruvian soles..................	.41	.44
Chilian pesos...................	.41	.44

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26⅛d. per ounce. New York market for large commercial silver bars, 56⅞ @ 58c. Fine silver (Government assay), 57 @ 58½c. The official price was 56¾c.

Foreign Exchange.—There was a decline in sterling exchange during the month, the final prices being the lowest for the month. No gold was shipped after June 2.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
June 4...........	4.8550 @ 4.8555	4.8750 @ 4.8755	4.8770 @ 4.8775	4.85¼ @ 4.85⅜	4.84½ @ 4.85¼
" 11...........	4.8555 @ 4.8565	4.8730 @ 4.8740	4.8750 @ 4.8760	4.85 @ 4.85⅛	4.84⅞ @ 4.85¼
" 18...........	4.8535 @ 4.8545	4.8725 @ 4.8730	4.8745 @ 4.8755	4.85 @ 4.85⅛	4.84⅝ @ 4.85⅛
" 25...........	4.8535 @ 4.8545	4.8725 @ 4.8735	4.8760 @ 4.8765	4.85⅛ @ 4.85¼	4.84½ @ 4.85⅛
July 2...........	4.8530 @ 4.8540	4.8710 @ 4.8715	4.8740 @ 4.8750	4.85 @ 4.85⅛	4.84¼ @ 4.84⅞

Foreign Exchange—Actual Rates on or about the First of each Month.

	Mch. 1.	*Apr. 1.*	*May. 1.*	*June 1.*	*July 1.*
Sterling Bankers—60 days	4.83¾– 84	4.83¾– ⅞	4.84⅞–85	4.85⅜– ½	4.85¼– ⅜
" " Sight	4.86⅝– ¾	4.87¼– ⅜	4.87 – ⅛	4.87¼– ⅜	4.87⅛–
" " Cables	4.87⅛– ⅜	4.87¾– ⅞	4.87¼– ⅜	4.87½– ⅝	4.87½–
" Commercial long	4.83 – ½	4.84½– ⅝	4.84½– ⅝	4.85 – ¼	4.85 – ⅛
" Docu'tary for paym't.	4.83 – ⅝	4.83⅝– ¾	4.84 – ¾	4.84¼–85⅛	4.84¼– ⅞
Paris—Cable transfers	5.16¼–	5.15 1/16–15	5.15 1/16– 1/32	5.15 1/16– 1/32	5.16⅞–
" Bankers' 60 days	5.18¾–	5.18⅛–17½	5.18⅛–17½	5.17½–16⅞	5.18⅛–17½
" Bankers' sight	5.16⅞–	5.15⅝–	5.15⅝–	5.15⅝–	5.16⅞–
Swiss—Bankers' sight	5.19⅜–18¾	5.18⅛–17½	5.16⅞– ¼	5.16¼–	5.16⅞–
Berlin—Bankers' 60 days	94 9/16– 11/16	94 11/16–	94 15/16–95	95 1/16– ⅛	95 1/16– ⅛
" Bankers' sight	95 1/16–	95 3/16–	95 3/16– ⅜	95½– 9/16	95½–
Belgium—Bankers' sight	3.17⅛–	5.16⅞–	5.16⅞–	5.16¼–	5.16⅞–
Amsterdam—Bankers' sight	40¼– 5/16	40 5/16–	40⅜–	40 5/16–	40 5/16– ⅜
Kronors—Bankers' sight	26.72–26.74	26.81–26.83	26.81 –26.83	26.86–26.88	26.86–26.88
Italian lire—sight	5.21¼–20	5.16⅞–15⅝	5.16¼–15⅝	5.16⅞– ¼	5.16¼–

Foreign Banks.—The Bank of England gained $13,000,000 gold in June, the Bank of France $8,000,000, the Bank of Germany $4,000,000 and the Bank of Russia nearly $35,000,000. The principal European banks together have about $160,000,000 more gold than they had a year ago.

Gold and Silver in the European Banks.

	May 1, 1904.		*June 1, 1904.*		*July 1, 1904.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£34,485,455	....	£32,680,338	....	£35,339,282	....
France	97,200,511	£44,744,871	109,407,106	£45,016,118	111,059,877	£45,316,051
Germany	34,916,000	12,268,000	35,918,000	12,620,000	36,872,000	12,955,000
Russia	84,150,000	8,017,000	84,395,000	8,279,000	91,330,000	8,231,000
Austria-Hungary	47,482,000	12,985,000	47,209,000	12,975,000	47,118,000	13,015,000
Spain	14,676,000	19,876,000	14,716,000	20,057,000	14,716,000	20,533,000
Italy	22,120,000	3,817,200	22,097,000	4,003,100	22,104,000	3,992,000
Netherlands	5,456,000	6,565,500	5,475,700	6,588,000	5,477,000	6,661,600
Nat. Belgium	3,080,000	1,540,000	3,086,667	1,543,333	3,032,667	1,516,333
Totals	£348,565,966	£109,818,571	£354,984,811	£111,081,551	£367,048,326	£112,219,984

Money Rates Abroad.—The money markets abroad show a condition of ease and rates have fallen even lower than they were a month ago. Discounts of 60 to 90 day bills in London at the close of the month were 1⅞ per cent. against 2 per cent. a month ago. The open market rate at Paris was 1⅜ per cent. against 2⅛ @ 2¼ per cent. a month ago, and at Berlin and Frankfort 2⅞ @ 3 per cent. against 3¼ per cent. a month ago.

Bank of England Statement and London Markets.

	Mar. 16, 1904.	*Apr. 13, 1904.*	*May 26, 1904.*	*June 30, 1904.*
Circulation (exc. b'k post bills)	£27,561,390	£28,366,265	£27,973,000	£28,869,000
Public deposits	13,720,681	8,569,638	7,407,000	9,023,000
Other deposits	38,641,241	42,936,848	39,764,000	50,258,000
Government securities	19,224,834	19,883,980	16,961,000	15,988,000
Other securities	24,292,522	25,281,788	25,337,000	36, 246,000
Reserve of notes and coin	26,561,883	24,142,795	22,758,000	24,920,000
Coin and bullion	35,673,273	34,059,060	32,680,338	35,339,282
Reserve to liabilities	50 9/16%	46¾%	48⅛%	41⅞%
Bank rate of discount	4%	3½%	3%	3%
Price of Consols (2½ per cents.)	86¾	88 15/16	90 1/16	90½
Price of silver per ounce	26¼d.	24 13/16d.	25⅜d.	26⅛d.

National Bank Circulation.—A further increase in National bank circulation of $3,246,500 occurred last month, making an increase for the year ended June 30, 1904, $35,564,445. The National banks now have $408,000,000 of the new two per

cent. bonds deposited to secure circulation and $83,000,000 to secure public deposits, a total of $491,000,000. The entire issue of these bonds is less than $543,000,000, and the National banks hold more than ninety per cent. of them.

National Bank Circulation.

	Mar. 31, 1904.	*Apr. 30, 1904.*	*May 31, 1904.*	*June 30, 1904.*
Total amount outstanding	$434,909,942	$437,080,573	$445,988,565	$449,235,095
Circulation based on U. S. bonds	395,600,234	397,802,781	407,279,034	412,759,449
Circulation secured by lawful money	39,309,708	39,277,792	38,709,531	36,475,646
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	2,704,250	2,966,750	3,929,250	4,215,500
Four per cents. of 1895	1,540,100	1,540,100	1,802,100	1,822,100
Three per cents. of 1898	1,799,400	1,759,940	1,794,940	1,815,440
Two per cents. of 1900	391,990,900	393,528,350	403,046,350	408,163,650
Total	$398,034,650	$399,795,140	$410,572,640	$416,016,690

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,105,050; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $10,058,050; 3 per cents. of 1898, $6,512,500; 2 per cents. of 1930, $83,256,450; District of Columbia 3.65's, 1924, $1,934,000; State and city bonds, $3,675,500; Philippine Island certificates, $3,368,000; Hawaiian Islands bonds, $1,072,000; Philippine loan, $1,902,000, a total of $119,983,550.

Government Revenues and Disbursements.—The Treasury reports revenues of $48,000,000 in June and expenditures of about $37,000,000, leaving a surplus of $11,000,000 for the month. This balance leaves the deficit for the year at $41,000,000. This result comes after charging in disbursements $50,000,000 paid for the Panama Canal and $4,600,000 loaned to the Louisiana Purchase Exposition Company. Excluding those items there would be a surplus of about $13,000,000 as against $52,700,000 in the previous year.

United States Treasury Receipts and Expenditures.

Receipts.

Source.	*June, 1904.*	*Since July 1, 1903.*
Customs	$22,590,692	$262,013,079
Internal revenue	21,100,716	232,873,721
Miscellaneous	4,524,005	46,628,844
Total	$48,215,413	$541,515,644
Excess of receipts	11,218,399	41,053,442

Expenditures.

Source.	*June, 1904.*	*Since July 1, 1903.*
Civil and mis	$8,521,436	$186,830,349
War	7,828,908	115,338,695
Navy	8,948,631	102,757,704
Indians	806,139	10,437,336
Pensions	10,464,172	142,558,508
Interest	427,728	24,646,494
Total	$36,997,014	$582,569,086

Money in Circulation in the United States.—The volume of money in circulation increased nearly $12,000,000 in June, the increase in gold coin and certificates being nearly $16,000,000 and in bank notes nearly $2,000,000. Decreases in silver and in greenbacks account for the difference.

Money in Circulation in the United States.

	Jan. 1, 1904.	*May 1, 1904.*	*June 1, 1904.*	*July 1, 1904.*
Gold coin	$627,970,533	$656,159,418	$644,894,548	$646,586,319
Silver dollars	81,573,223	73,642,989	72,605,727	71,561,624
Subsidiary silver	97,631,352	94,820,302	94,579,099	94,608,028
Gold certificates	421,080,019	463,948,069	450,633,929	464,806,629
Silver certificates	465,836,270	466,079,084	464,156,826	462,578,715
Treasury notes, Act July 14, 1890	15,828,853	13,853,195	13,874,424	12,927,287
United States notes	343,272,438	339,777,071	337,304,380	334,491,977
National bank notes	413,153,189	424,365,007	431,730,984	433,595,888
Total	$2,466,345,897	$2,532,645,135	$2,509,279,917	$2,521,151,527
Population of United States	81,177,000	81,637,000	81,752,000	81,867,000
Circulation per capita	$30.38	$31.02	$30.69	$30.80

Money in the United States Treasury.—The gross amount of money in the Treasury increased nearly $17,000,000 while certificates outstanding increased

$13,000,000 leaving a gain in the net cash in the Treasury of nearly $5,000,000. The net gold was reduced nearly $2,300,000.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1904.	*May 1, 1904.*	*June 1, 1904.*	*July 1, 1904.*
Gold coin and bullion	$686,651,991	$695,825,159	$668,226,820	$680,186,382
Silver dollars	477,594,756	498,555,265	494,852,527	496,418,685
Silver bullion	11,579,510	5,368,189	5,487,156	5,081,225
Subsidiary silver	8,306,927	11,852,585	12,085,831	11,561,830
United States notes	3,406,578	6,903,945	9,876,686	12,189,089
National bank notes	12,009,829	12,715,566	14,257,581	15,689,207
Total	$1,199,551,591	$1,226,220,659	$1,204,186,051	$1,221,026,308
Certificates and Treasury notes, 1890, outstanding	902,745,162	943,880,348	928,165,179	940,312,631
Net cash in Treasury	$296,806,429	$282,340,311	$276,020,872	$280,713,677

SUPPLY OF MONEY IN THE UNITED STATES.—There was added to the total stock of money in the country $16,500,000 last month, of which $13,600,000 was gold and $3,300,000 National bank notes. There was a reduction of nearly $500,000 in fractional silver.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1904.	*May 1, 1904.*	*June 1, 1904.*	*July 1, 1904.*
Gold coin and bullion	$1,314,622,524	$1,351,984,577	$1,318,120,868	$1,326,722,701
Silver dollars	559,167,979	567,198,254	567,458,254	567,980,319
Silver bullion	11,579,510	5,368,189	5,487,156	5,081,225
Subsidiary silver	105,958,279	106,672,887	106,614,930	106,164,848
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	437,080,578	445,988,565	449,235,095
Total	$2,763,152,326	$2,814,985,446	$2,785,300,789	$2,801,865,204

UNITED STATES FOREIGN TRADE.—Exports of merchandise in May fell below $90,000,000, the smallest reported in any month since April, 1899, excepting one month last year and two months in 1902. The imports were $80,000,000, and the net exports only about $9,000,000. The latter is the smallest balance since June, 1897, excepting for the month of August, 1903. The exports for the eleven months of the year are still the largest, except in the year 1901, while the imports are the largest except in 1903. The net exports for the eleven months are $458,000,000, the smallest balance for any year in the last six years excepting 1903. We exported net nearly $32,600,000 gold in May, but still have a balance of imports of $14,000,000 for the eleven months. The fiscal year will therefore show a gain in gold.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF MAY.	MERCHANDISE.			Gold Balance.	Silver Balance
	Exports.	*Imports.*	*Balance.*		
1899	$96,841,247	$70,160,373	Exp., $23,680,874	Imp., $1,021,010	Exp., $1,426,196
1900	113,427,849	71,653,525	" 41,774,324	Exp., 8,525,962	" 3,605,105
1901	124,567,911	78,642,703	" 45,925,208	" 8,328,843	" 1,640,754
1902	102,321,531	75,689,087	" 26,632,444	" 471,354	" 1,838,494
1903	100,929,591	79,035,137	" 21,894,454	" 13,025,423	" 535,881
1904	89,766,254	80,472,407	" 9,293,847	" 32,598,541	" 3,154,025
ELEVEN MONTHS.					
1899	1,130,629,075	635,391,180	Exp., 495,237,895	Imp., 69,235,158	Exp., 23,696,093
1900	1,285,831,125	788,939,817	" 496,891,308	" 671,117	" 21,167,628
1901	1,384,990,728	754,767,508	" 630,223,220	" 14,950,111	" 25,264,111
1902	1,292,478,918	830,205,894	" 462,273,024	Exp., 242,628	" 20,052,923
1903	1,324,918,833	943,719,460	" 381,199,373	Imp., 7,631,467	" 20,581,163
1904	1,367,516,720	909,497,644	" 458,019,076	" 14,230,221	" 20,110,027

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of June, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903:

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		JUNE, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89⅞	54	75¼—Apr. 11	64 —Feb. 24	73⅛	68⅛	72¾
• preferred	103⅛	84⅜	96¾—June 29	87⅝—Jan. 6	96¾	92½	93⅞
Baltimore & Ohio	104	71⅝	85⅞—Jan. 27	72⅞—Mar. 14	81	77⅛	79¾
Baltimore & Ohio, pref.	96¾	82¾	92 —Jan. 28	87⅝—Feb. 19	91¾	91⅛	91½
Brooklyn Rapid Transit	71⅛	29⅛	52¼—Jan. 2	38 —Feb. 24	49¼	46⅜	48⅞
Canadian Pacific	138¾	115⅝	125⅛—June 30	109⅛—Mar. 12	125⅛	117⅛	125⅛
Canada Southern	78½	57½	68¼—Jan. 2	64 —Apr. 29	67½	64½	67
Central of New Jersey	190	153	163¾—Jan. 19	154½—Feb. 20	162½	160	161½
Ches. & Ohio	53⅝	27¼	36 —Jan. 28	28¼—Mar. 14	31¾	29⅛	31
Chicago & Alton	37¼	18⅛	40 —Feb. 6	33 —Jan. 2	38⅞	35⅛	37¾
• preferred	75½	60	85¼—Jan. 21	75 —Jan. 6	81	80½	81
Chicago, Great Western	29⅝	13	17¾—Jan. 22	12⅞—June 8	14¾	12⅞	13⅛
Chic., Milwaukee & St. Paul	183¼	133¼	148¼—Jan. 22	137⅛—Feb. 24	144	139⅛	143¾
• preferred	194¼	168	180 —Apr. 12	173 —Mar. 4	177¾	176⅛	178
Chicago & Northwestern	224½	153	172¼—Mar. 30	161⅛—Mar. 14	170⅞	167	170
• preferred	250	190	219½—June 16	207 —Feb. 8	219½	217⅛	219⅛
Chicago Terminal Transfer	19⅞	8	12¾—Jan. 15	5½—May 24	6¾	6	6
• preferred	36	15	26⅛—Jan. 15	13¼—May 27	16⅛	13⅞	15
Clev., Cin., Chic. & St. Louis	99⅝	66	80¾—Jan. 22	68½—May 18	70	69	70
Col. Fuel & Iron Co.	82½	24	34½—Jan. 27	25⅛—Mar. 12	31	28¾	30
Colorado Southern	31⅝	10	19 —Jan. 12	13½—June 1	16	13½	16
• 1st preferred	72	44½	58½—Jan. 25	48 —June 1	49	48	48¾
• 2d preferred	48	17	28⅜—Jan 22	17⅞—June 7	20⅝	17⅞	20⅝
Consolidated Gas Co.	222	164	212⅜—May 16	185 —Feb. 8	204¼	188½	194½
Delaware & Hud. Canal Co.	183½	149	168½—Jan. 22	149 —Mar. 12	156¾	151¼	156⅝
Delaware, Lack. & Western	275½	230	275¾—Apr. 7	250½—Feb. 23	272	266½	270
Denver & Rio Grande	43	18	23⅜—Jan 22	18 —Mar. 14	21⅜	19	20⅝
• preferred	90½	62	74⅞—Jan. 22	64½—Feb. 24	71½	66½	69
Detroit Southern	20⅝	7	14¾—Jan. 23	1⅛—June 27	4¼	1⅛	2½
• preferred	39¾	14	29½—Jan. 25	2¾—June 27	8½	2¾	5
Duluth So. S. & Atl., pref.	29⅜	10	16¾—Jan. 23	9¾—June 4	11	9¾	11
Erie	42⅝	23	29¼—Jan. 2	21½—May 16	24½	22¾	23¾
• 1st pref.	74	62½	69¾—Jan. 27	55⅝—May 31	59½	56	58½
• 2d pref.	64⅞	44	50½—Jan. 2	33 —May 16	35⅞	33¾	34⅝
Evansville & Terre Haute	72½	39½	66½—Jan. 27	57 —Apr. 20	....	....	....
Express Adams	235	214	226 —May 12	220 —Feb. 2	224½	224½	224½
• American	235	171	197 —Jan. 27	180 —June 2	190	180	190
• United States	150¼	95	110 —Jan. 25	100 —Feb. 24	106	103	106
• Wells, Fargo	249½	191	212 —Jan. 6	200 —June 16	210	200	210
Hocking Valley	106½	63	77½—Jan. 22	60 —May 24	67½	61	67
• preferred	99¼	77	85 —Jan. 7	77 —Mar. 12	83¼	79	83¼
Illinois Central	151	125⅛	134¾—Jan. 28	125¾—Feb. 24	132	128¾	131⅞
Iowa Central	48	16	22⅞—Jan. 8	14 —June 4	18½	14	18½
• preferred	77⅝	30½	42 —Jan. 14	32 —Feb. 25	35	32	35
Kansas City Southern	36¼	16½	21½—June 23	16½—Feb. 24	21½	18⅝	21⅛
• preferred	61¼	29	43½—June 22	31 —Feb. 29	43½	36⅝	42½
Kans. City Ft. S. & Mem. pref.	82¾	62¼	70½—Apr. 12	64⅛—June 1	67	64½	66
Louisville & Nashville	130½	95	111½—Jan. 22	101 —Feb. 23	110½	106⅞	110
Manhattan consol	155½	126¼	149⅜—June 30	139¾—Mar. 12	149⅜	143⅜	149
Metropolitan securities	128⅞	70½	92 —Jan. 21	72¼—Mar. 14	80¾	75	79¼
Metropolitan Street	142⅞	99⅞	124 —Jan. 2	104¾—Mar. 14	114⅞	106¾	111
Mexican Central	29	8½	14½—Jan. 11	5 —Apr. 23	8⅝	6¾	8
Minneapolis & St. Louis	110	41	67¾—Jan. 18	40 —June 3	44	40	43½
• preferred	118	83	94¾—Jan. 21	90 —Jan. 6	....	....	....
Minn., S. P. & S.S. Marie	79½	42	67¾—June 23	55 —Jan. 4	67¾	60⅞	66¾
• preferred	132¼	109½	126¾—Jan. 28	116 —May 2	124¾	118½	124¾
Missouri, Kan. & Tex.	30⅛	15½	19 —Jan. 21	14⅝—Feb. 24	16⅞	15	16¼
• preferred	63½	33	42½—Jan. 22	32¼—June 1	37½	32¼	37
Missouri Pacific	115⅞	85¾	95⅞—Jan. 22	87 —Feb. 24	93⅛	88¾	90⅝
Natl. of Mexico, pref.	47⅝	34½	41 —Jan. 11	34¾—Feb. 25	37	35¾	37
• 2d preferred	28½	17	21⅞—Jan. 8	15⅞—Feb. 25	17⅝	16½	17½
N. Y. Cent. & Hudson River	156	112⅝	122 —Jan. 8	112⅞—Mar. 12	116⅜	113¾	115
N. Y., Chicago & St. Louis	45	19½	32¼—Jan. 23	25 —May 16	26½	26	26½
• 2d preferred	87	50	69 —Jan. 26	60 —June 14	60	60	60

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1903.		Highest and Lowest in 1904.		June, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western	35¼	19	26⅝—June 27	19⅜—Mar. 14	26⅝	21¾	26⅝
Norfolk & Western	76¼	54¾	62¾—Jan. 28	53½—Mar. 12	56⅝	53¾	56¼
" preferred	93½	85	90 —Apr. 12	88 —May 6	....	....	....
North American Co	124½	68	90 —Jan. 26	80 —Mar. 12	86	80¼	86
Pacific Mail	42¾	17	33½—Jan. 18	24 —Feb. 27	27	25	26⅞
Pennsylvania R. R.	157⅝	110¾	123⅛-Jan. 27	111½—Mar. 12	116⅛	113⅛	115¾
People's Gas & Coke of Chic.	108⅜	87¾	102⅝-Jan. 23	92¾—Mar. 12	98¾	95	98
Pullman Palace Car Co	235¾	196	219½—Jan. 22	209 —Mar. 14	218	211½	218
Reading	69¼	37½	48⅛—June 13	38¾—Mar. 14	48⅛	43⅛	47⅛
" 1st prefered	89⅞	73	82½—June 29	76 —Mar. 1	82½	79	82½
" 2d preferred	81	55¾	67⅛—June 29	55¼—Feb. 25	67⅛	62½	67⅛
Rock Island	53⅝	19½	27⅛—Jan. 22	19⅛—Mar. 11	21½	19¾	20½
" preferred	86	55¾	68⅞—Jan. 22	57¾—Jan. 6	65	63	65
St. L. & San Fran. 2d pref	78	39	49¼—Jan. 23	39¼—Jan. 6	46½	42½	46½
St. Louis & Southwestern	30	12	16¼—Jan. 22	9½—June 1	12¼	9½	10¾
" preferred	66	24	36¾-Jan. 23	25⅜—June 1	30	25⅜	27⅝
Southern Pacific Co	68¼	38⅝	52½—Jan. 27	41½—Mar. 14	48⅝	44⅛	46⅞
Southern Railway	36⅞	16½	23⅛—Jan. 27	18¼—Feb. 24	21½	19½	21
" preferred	96	69½	86¼—Jan. 22	77½—Jan. 6	85¾	82¾	85
Tennessee Coal & Iron Co	68¾	25⅞	41⅛—Apr. 7	31⅝-May 16	35¾	32¾	35¼
Texas & Pacific	43⅝	20½	27¾—Jan. 23	20 —June 2	22⅝	20	22⅝
Toledo, St. Louis & Western	31⅞	15	29½—Jan. 23	21½—May 27	25¼	22¼	24½
" preferred	48	24	39⅞—Apr. 25	32 —Feb. 24	38¼	34½	37¾
Union Pacific	104⅝	65½	90 —Apr. 4	71 —Mar. 14	89	82⅝	88¼
" preferred	95¼	83½	94½—Apr. 6	86½—Feb. 25	93¼	91⅛	92⅞
Wabash R. R.	32¾	16⅝	21¾—Jan. 27	15 —May 16	17	15½	15⅝
" preferred	55¼	27½	41 —Jan. 25	32¾—Feb. 24	36¼	32⅞	34½
Western Union	93	80¼	89¾—May 9	85 —May 19	87⅝	86	86⅞
Wheeling & Lake Erie	27½	12	19⅛—Jan. 22	14¼—June 2	16¼	14¼	16¼
" second preferred	38½	20	29¾—Jan. 27	21⅛—June 29	25	21⅛	21½
Wisconsin Central	29¼	14½	21⅞—Jan. 20	16 —June 6	17½	16	16½
" preferred	55½	33	47⅞—Jan. 27	37 —June 6	38¼	37	37¾
"INDUSTRIAL"							
Amalgamated Copper	75⅝	33⅝	52¼—Apr. 8	48⅛ Feb. 8	50¾	48¾	49⅞
American Car & Foundry	41¾	17¼	21⅜—Jan. 27	16 —May 16	17½	16	16½
" pref.	93	60½	74¾—Apr. 7	67 —Jan. 6	71½	70	71½
American Co. Oil Co	46¼	25¼	32⅞—Jan. 25	24¼—June 14	27	24¼	26½
American Ice	11⅞	4	9¼—Jan. 2	6½—Mar. 24	7	6⅝	6⅞
American Locomotive	31⅝	10½	23⅜—Feb. 16	16⅛—Jan. 6	19⅝	18½	18¾
" preferred	95¾	67½	84 —May 6	75½—Jan. 6	85½	82	83½
Am. Smelting & Refining Co.	52⅞	36¾	55 —June 30	46 —Feb. 25	55	51¾	55
" preferred	99½	80¼	97¼—May 31	88¾—Jan. 6	97¼	96⅜	97⅛
American Sugar Ref. Co.	134⅜	107⅛	131⅝—Jan. 25	122¼—Mar. 7	128⅜	125	127¼
Anaconda Copper Mining	125½	58	80⅛—Apr. 12	61 —Feb. 20	74½	70¼	70¼
Continental Tobacco Co. pref.	119	94¾	114 —June 8	101½—Jan. 4	114	112	112¼
Corn Products	35	15½	22⅜—Jan. 25	9¾—May 9	11	10¼	11
" preferred	85⅛	60	74½—Jan. 23	65 —Mar. 9	68½	65	66½
Distillers securities	34¾	20	26½—Jan. 21	19½—June 9	23¾	19½	22¾
General Electric Co	204	136	179¼—Jan. 23	151 —June 20	159½	151	157
International Paper Co	19⅞	9	14⅜—Jan. 25	10¼—May 26	11⅞	10¼	11⅞
" preferred	74¼	57½	69⅜—June 30	64⅛-Feb. 9	69⅜	66¼	69⅜
National Biscuit	47⅝	32	46½—June 25	36 —Jan. 4	46½	41⅜	45¼
National Lead Co	29½	10½	22 —June 13	14⅛—Feb. 25	22	19	19½
Pressed Steel Car Co	65¾	22½	33 —Jan. 28	24¼—May 16	27⅝	25½	27¼
" preferred	95	62½	72½—Jan. 28	67 —May 16	71	68	71
Republic Iron & Steel Co.	22⅝	5⅝	8¾—Jan. 25	6 —May 16	6½	6⅛	6¼
" preferred	80⅝	36¾	49½—Jan. 23	37 —May 13	42½	38	41
Rubber Goods Mfg. Co.	30	12	22¼—Jan. 27	14¾—Apr. 15	16¼	15⅛	16¼
" preferred	84½	60	79¾—Apr. 4	74¾—Jan. 15	78	76	78
U. S. Leather Co	15¼	6	8¼—Jan. 25	6½—May 27	7	6½	6⅝
" preferred	96¾	71½	81¼—June 9	75⅝—Jan. 4	81¼	79¼	80
U. S. Realty & Con	28½	4	9⅜—Jan. 21	5½—Jan. 15	6⅝	5⅝	5¾
" preferred			63⅝—May 23	40 —Jan. 14	60¾	57⅛	59
U. S. Rubber Co.	19⅛	7	18¼—May 4	10½—Feb. 6	17	15¾	16½
" preferred	58	30¼	68¼-Apr. 29	41 —Jan. 4	66⅜	65¼	65⅞
U. S. Steel	39⅞	10	12⅝—Jan. 2	8⅜—May 13	10	8¾	9⅞
" pref.	89¾	49¾	62½—Apr. 7	51¼—May 13	56½	52¾	55⅝

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Albermarle & Ches. 1st 7's	1909	500,000	J & J	....	....	....	....	....
Ann Arbor 1st g 4's	1995	7,000,000	Q J	95¼	June29,'04	95¼	92¾	35,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	148,155,000	A & O	102⅞	June30,'04	102⅞	101⅛	1,057,500
" registered			A & O	101½	June 1,'04	101½	101½	1,000
" adjustment, g. 4's	1995	25,616,000	NOV	93⅞	June30,'04	94¼	91	85,000
" registered		....	NOV	82½	Jan. 26,'04	....	....	....
" stamped	1995	26,112,000	M & N	92⅛	June30,'04	92⅜	88¾	621,500
" serial debenture 4's—								
" series C	1905	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series D	1906	2,500,000	F & A	99¾	June21,'04	99¾	99¾	2,000
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	98	May 31,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" East.Okla.div.1stg.4's	1928	5,645,000	M & S	95⅞	June29,'04	95⅞	93½	106,000
" " registered		....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s	1946	1,000,000	J & D	114½	Oct. 8, '02	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's	1952	36,844,000	M & S	97	June30,'04	97⅛	95	849,000
" registered			M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's	1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	112	Apr. 13,'04	....	....	....
Brunswick & W'n 1st gtd. g. 4's	1938	3,000,000	J & J	87	Aug.22,'01	....	....	....
Sil.Sps Oc.& G.RR.&ld g.gtd g.4s	1918	1,067,000	J & J	91½	Oct. 30,'03	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	72,798,000	J & J	96⅛	June30,'04	96½	95	292,000
" registered			J & J	95¼	May 27,'04	....	....	....
" g. 4s	1948	69,963,000	A & O	102⅞	June30,'04	103	101¼	604,000
" g. 4s. registered			A & O	101½	June 8,'04	101½	100	8,000
" ten year c. deb. g. 4's	1911	592,000	M & S	98	June30,'04	98	97	4,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	90¼	June29,'04	90¼	89	25,500
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	20,000,000	M & N	97⅛	June29,'04	97½	95½	129,000
" Southw'n div. 1st g. 3½s	1925	43,590,000	J & J	92¼	June30,'04	92¼	90¾	295,500
" registered			Q J	90¼	July16,'01	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	105½	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,009,000	M & S	108	June 2,'04	108	108	1,000
Ptsbg Clev. & Toledo, 1st g. 6's	1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g. 4's	1917	688,000	J & J	98	June 3,'04	98	98	6,000
" J. P. Morgan & Co. cer		1,921,000	......	100¼	Feb. 13,'03	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	117⅝	June30,'04	117⅝	116¾	15,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	121½	Mar. 2,'04	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	124	May 6,'04	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	4,317,000	J & J	100⅛	June27,'04	100⅛	98	70,000
" registered			J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	106	June30,'04	106	104⅛	145,009
" 2d mortg. 5's	1913	6,000,000	M & S	107	June30,'04	107	106	25,000
" registered			M & S	105	June30,'04	105	105	1,000
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	91¼	June30,'04	91½	90½	48,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	116½	Mar. 4,'04	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,600	M & N	110¾	June30,'04	111	108⅝	272,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	107½	105½	12,000
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	74¾	June30,'04	74¾	72	127,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	35½	June29,'04	33	34	199,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	22¼	June29,'04	23	21½	34,000
" Chat. div. pur. my. g. 4's	1951	1,990,000	J & D	92½	May 23,'04	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
" Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	103	July 2,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	108	Apr. 27,'04	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	133¾	June28,'04	133¾	130¼	61,000
" registered			Q J	130	June22,'04	130¼	129¾	45,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113½	June23,'04	113½	113¼	5,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	103½	June16,'04	103½	102¾	20,000
" con. extended gtd. 4½'s	1910	12,175,000	Q M	101¾	June24,'04	101¾	100½	27,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	108	Apr. 29,'04	....	....	....
" Mortgage gold 6's	1911	2,000,000	A & O	110½	May 10,'04	....	....	....
" 1st con. g. 5's	1939	25,858,000	M & N	118	June29,'04	118	115¼	166,000
" registered			M & N	114¾	June16,'04	114¾	114¾	4,500
" Gen. m. g. 4½'s	1992	38,073,000	M & S	105⅝	June30,'04	105½	104	404,000
" registered			M & S	95	Dec. 22,'03	...	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	103	June30,'04	103	101½	38,000
" 2d con. g. 4's	1989	1,000,000	J & J	97	June 2,'04	97	96½	8,000
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	90⅝	Dec. 30,'03	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	85	June30,'04	85	82¾	91,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	79⅝	June30,'04	79¾	78½	344,000
" registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'19	....	....	....
" Denver div. 4's	1922	4,931,000	F & A	100¾	May 7,'04	....	....	....
" Illinois div. 3½s	1949	41,000,000	J & J	95¼	June29,'04	95¼	92¾	236,000
" registered			J & J	90½	Apr. 16,'04	....	....	....
" (Iowa div.) sink. f'd 5's	1919	2,449,000	A & O	109¾	Apr. 27,'04	....	....	....
" 4's	1919	8,049,000	A & O	101¼	June25,'04	101½	101¼	24,000
" Nebraska extensi'n 4's	1927	25,344,000	M & N	104¾	June28,'04	104¾	103⅝	48,000
" registered			M & N	105	Dec. 2,'03	....	....	....
" Southwestern div. 4's	1921	2,650,000	M & S	100¾	Feb. 8,'04	....	....	....
" 4's joint bonds	1921	215,207,000	J & J	97⅞	June30,'04	98	94¾	1,653,000
" " registered			Q JAN	94½	June17,'04	94½	92¾	58,000
" 5's, debentures	1913	9,000,000	M & N	105½	June29,'04	105½	105	5,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114	June10,'04	114	114	8,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	105⅝	June 2,'04	105⅝	105⅝	1,000
" small bonds			J & D	112	Apr. 2,'96	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
" gen. con. 1st 5's	1937	15,323,000	M & N	116	June21,'04	116	116	5,000
" registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,823,000	J & J	113	Jan. 16,'04	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	130	June20,'04	130	130	2,000
" ref. g. 5's	1947	4,442,000	J & J	108	July 24,'03	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	109	Mar. 7,'04	....	....	....
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	1,286,000	J & J	175	Apr. 22,'04	....	....	....
" terminal g 5's	1914	4,748,000	J & J	110⅝	June 3,'04	110⅝	110⅝	2,000
" gen. g. 4's, series A	1989	23,676,000	J & J	109¾	June13,'04	109¾	109	16,000
" registered		....	Q J	109½	June18,'04	109½	109½	1,000

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Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	98⅞	May 25,'04	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116⅛	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	116	Apr. 15,'04	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	110¼	Feb. 23,'04	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	117	June16,'04	117	116⅛	20,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	111¾	June17,'04	111¾	111¾	3,000
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137⅛	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	117¾	May 25,'04	....	....	....
" 1st 5's	1910	990,000	J & J	106	Mar. 25,'04	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,005,000	J & J	169	Mar. 14,'04	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	113⅝	Oct. 28,'03	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	107	May 4,'04	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	112⅝	June28,'04	112⅝	112¼	2,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	112	May 26,'04	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	116½	June23,'04	116½	116½	10,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	111	June23,'04	111	110¾	2,000
" 1st con. 6's	1913	5,092,000	J & D	115½	June14,'04	115½	115½	5,000
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	128	June 4,'04	128	127⅝	20,000
" extension 4's.....	1886-1926	18,632,000	F A 15	104⅞	June24,'04	104⅞	104⅞	4,000
" registered			F A 15	102⅝	May 11,'04	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	98	June18,'04	98	98	8,000
" registered			Q F	108	Nov. 19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,686,000	A & O	111¼	Apr. 7,'04	....	....	....
" registered			A & O	111½	Dec. 11,'03	....	....	....
" sinking fund 5s'..	1879-1929	6,769,000	A & O	110	June14,'04	110	109	3,000
" registered			A & O	107	Mar. 28,'04	....	....	....
" deben. 5's	1909	5,900,000	M & N	104½	June17,'04	104½	104	5,000
" registered			M & N	104	Mar. 3,'04	....	....	....
" deben. 5's	1921	10,000,000	A & O	108¼	June 6,'04	108¼	108¼	5,000
" registered			A & O	108¾	Jan. 12,'04	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	116½	May 27,'04	....	....	....
" registered			M & N	114⅛	June 3,'04	114⅛	114⅛	1,000
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105⅝	Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	109¾	June18,'04	109¾	109¾	1,000
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127¼	June14,'04	127¼	127¼	2,000
" ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	117¾	Mar. 26,'04	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131¾	Dec. 3,'03	....	....	....
" con. deb. 5's	1907	436,000	F & A	103	Apr. 8,'04	....	....	....
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	125	June 6,'04	125	125	3,000
" registered	1917		J & J	120	Feb. 17,'04	....	....	....
" gen. g. 4's	1988	61,581,000	J & J	105½	June30,'04	105½	103½	191,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. tr. ser. 4's ser. B.	1904	1,494,000	M & N	98	Aug. 18,'03	....	....	....
" C	1905	1,494,000	M & N	100¾	July 2,'02	....	....	....
" D	1906	1,494,000	M & N	....	....	....	....	....
" E	1907	1,494,000	M & N	....	....	....	....	....
" F	1908	1,494,000	M & N	....	....	....	....	....
" G	1909	1,494,000	M & N	....	....	....	....	....
" H	1910	1,494,000	M & N	99⅝	June 3,'02	....	....	....
" I	1911	1,494,000	M & N	....	....	....	....	....
" J	1912	1,494,000	M & N	....	....	....	....	....
" K	1913	1,494,000	M & N	....	....	....	....	....
" L	1914	1,494,000	M & N	....	....	....	....	....
" M	1915	1,494,000	M & N	96	May 16,'04	....	....	....
" N	1916	1,494,000	M & N	93	May 24,'04	....	....	....
" O	1917	1,494,000	M & N	....	....	....	....	....
" P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	69	June30,'04	69⅝	67½	1,951,000
" registered			M & N	88¼	Jan. 7,'03	....	....	....
" coll. trust g. 5's	1913	17,142,000	M & S	79⅞	June30,'04	80	78½	478,000
Burlington, Cedar R. & N. 1st 5's.	1906	6,500,000	J & D	101½	June29,'04	101½	101¼	18,000
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	119	June30,'04	119	119	1,000
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	110½	June 7,'04	110½	110½	7,000
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug 21,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	104⅝	Jan. 26,'04	....	....	....
" con. g. 5's	1952	5,411,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	95¼	Oct. 1,'03	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	90	Oct. 1,'03	....	....	....
" extension 4 s		672,000	J & J	98	Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	106	June13,'04	106	106	3,000
" small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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Chic., St.P., Minn.& Oma.con.6's	1930	14,682,000	J & D	131	June13,'04	131	130⅛	21,000
• con.6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,872,000	M & N	129	May 11,'04	....	....	....
North Wisconsin 1st mort. 6's	1930	859,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	122¾	June29,'04	122¾	122¼	17,000
Chic., Term. Trans. R. R. g. 4's	1947	14,735,000	J & J	76	June30,'04	76	73¼	94,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,519,000	Q M	111⅛	Apr. 28,'04	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104⅛	Dec. 5,'03	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	112	May 16,'04	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's	1923	1,000,000	M & N	....	....	....	....	....
Cin. Ind. & W n. 1st&ref. g tdg. 4's	1953	3,200,000	J & J	99½	June30,'04	99½	99½	5,000
Clev., Cin., Chic. & St.L. gen. g. 4's	1993	18,749,000	J & D	101	June30,'04	101	98½	186,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	99¾	June15,'04	101¼	99¾	15,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98	Feb. 2,'04	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	102	June22,'04	102	100¼	85,000
• registered				99	Jan. 28,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,599,000	Q F	102½	June27,'04	102½	102	20,000
• registered				95	Nov. 15,'94	...	....	....
• con. 6's	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	115¼	June23,'04	115¼	112½	2,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	128	Mar. 16,'04	....	....	....
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	98	June30,'04	98¾	96	30,000
• income 4's	1990	4,000,000	A	59	May 18,'04	....	....	....
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116	Feb. 10,'04	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	59	June22,'04	59	58½	33,000
Colorado & Southern 1st g. 4's	1929	18,808,000	F & A	83¾	June29,'04	84	82	243,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	112⅝	Jan. 25,'04	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	128½	June20,'04	128½	128	8,500
• 1st c. gtd 7's	1915	11,677,000	J & D	128⅞	June17,'04	128⅞	128⅞	2,000
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	129¾	June14,'04	129¾	129¾	3,000
• const. 5's	1923	5,000,000	F & A	114⅝	June 1,'04	114⅝	114⅝	1,000
• terml. imp. 4's	1923	5,000,000	M & N	100½	May 23,'04	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	109⅞	Feb. 8,'04	....	....	....
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	133¾	Mar. 30,'04	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	106	June 3,'04	106	106	6,000
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	104	May 12,'04	....	....	....
• registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	143¾	Nov. 10,'02	....	....	....
• 1st r 7's	1921		M & N	147¾	June18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	101¼	June30,'04	101¼	98½	115,000
• con. g. 4½'s	1936	6,382,000	J & J	106⅝	May 22,'03	....	....	....
• impt. m. g. 5's	1928	8,318,500	J & D	104	June15,'04	104	104	15,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	99⅝	June30,'04	99⅝	98¼	42,000
• mge. & col. tr. g. 4's ser. A	1949	12,200,000	A & O	88	June24,'04	89½	87¾	92,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	21	May 4,'04	....	....	....
• Midl'd Ter. Ry. 1st g. s. f. 5's	1925	128,000	J & D	....	....	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	99¼	May 11,'04	....	....	....
• g. 4s	1995	1,250,000	J & D	92½	June24,'04	93½	92½	25,000
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	38	June20,'04	45	38	168,000
• Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	68	June30,'04	70	66½	51,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	111⅝	June14,'04	111⅝	110⅛	8,000
• registered			A & O	101½	July 23,'89	....	....	....
• 2d 1 m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	121	Jan. 28,'04	....	....	....
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S	....	....	....	...	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	115	June20,'04	115	115	20,000

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale Price.	Last Sale Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03	114	114	2,000
" 2d extended g. 5's	1919	2,149,000	M & S	112⅜	Apr. 4,'04	....	....	....
" 3d extended g. 4½'s	1923	4,617,000	M & S	110	June23,'04	110	110	2,000
" 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	101⅞	June 26,'03	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	134	June28,'04	134	131⅝	8,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g. 4s prior bds.	1996	35,000,000	J&J	100¼	June30,'04	100¼	98¼	856,500
" registered			J&J	98½	Jan. 21,'04	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	86¼	June27,'04	86¼	84¾	236,000
" registered			J&J	85¾	Feb. 4,'04	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	92⅝	June28,'04	92¾	89¼	136,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125¼	June21,'04	125¼	125¼	1,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	118¼	June29,'04	118½	116¼	47,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.	1935	7,500,000	A & O	132	Apr. 13,'04	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	117¼	June21,'04	117¼	117¼	10,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov.25,'03	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	108½	Jan. 6,'04	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¾	May 17,'04	....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,745,000	J & J	111	May 10,'04	....	....	....
" 2d g. 4½'s	1937	447,000	F & A	99¾	June30,'04	99¾	99¾	1,000
" gen. g. 5's	1940	2,546,000	F & A	102½	June30,'04	103	102½	2,000
" term. 1st g. 5's	1943	2,000,000	M & N	113½	Jan. 8,'04	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	107½	June 2,'04	107½	107½	1,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,581,000	J & J	107	Dec. 17,'03	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	120	June 6,'04	120	120	8,000
" 1st General g 5's	1942	2,223,000	A & O	105¾	June27,'04	105¾	105¾	6,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	104½	June28,'04	104½	104	11,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,363,000	J & J	78	June29,'04	78	76½	50,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102¼	June 7,'04	102¼	102¼	2,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	105¾	June24,'04	105¾	104¾	83,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	18,139,000	J & J	110⅝	June29,'04	110⅝	107⅞	223,000
" registered			J & J	107½	Apr. 30,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	100¼	Apr. 12,'04	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115	Apr. 11,'04	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	101¼	Apr. 20,'04	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	106	June30,'04	106	106	3,000
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	102¾	May 21,'04	....	....	....
" registered			M & N	101	Apr. 7,'04	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	95⅝	June29,'04	95⅝	95½	8,000
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	80	Jan. 12,'04	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	93	Apr. 2,'04	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	106¾	Mar. 28,'04	....	....	....
" registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	119	Feb. 25,'04	....	....	....
• gold 5's, registered........			J D 15	119¾	Mar. 12,'04	....	....	....
• g. 3½'s..............	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
• registered................			J D 15	106¼	Aug.17,'99	....	....	....
• Memph. div. 1st g. 4's,	1951	3,500,000	J & D	102¼	Dec. 15,'03	....	....	....
• registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
• 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g 4's..	1950	4,850,000	J & J	101	Feb. 29,'04	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	11,291,000	M & N	121	June22,'04	121	119¼	15,000
• 2d g. 5's..................	1909	10,391,000	M & S	99¼	June30,'04	99¾	98½	216,000
• 3d g. 4's..................	1921	2,959,500	M & S	70	Nov.19,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	110	June29,'04	110⅛	110	7,000
• refunding g. 4's ...	1951	2,000,000	M & S	87⅛	June29,'04	87⅛	85	2,000
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	71½	June29,'04	71½	69⅞	280,000
• registered..................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119⅛	June14,'04	119⅛	119	21,000
• 2d mtge. g. 5's..........	1941	3,625,000	J & J	112½	Apr. 15,'04	....	....	....
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	112	Feb. 16,'04	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	107¼	May 21,'04	....	....	....
• registered..................			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	108½	May 24,'04	....	....	....
• registered..................		....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	113⅝	June 1,'02	....	....	....
• registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,014,000	J & J	107	Jan. 19,'04	....	....	....
• registered...............	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	93	May 12,'04	....	....	....
• registered..................			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
• • g. gtd 5's.......	1914	1,250,000	A & O	100⅝	June16,'04	100⅝	100⅝	3,000
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	116	Apr. 9,'03	....	....	....
• 1st con. g. 4's............	1931	1,121,000	Q J	116¼	June 8,'04	116¼	116¼	3,000
Long Island gen. m. 4's..........	1938	3,000,000	J & D	98	June 6,'04	98	98	1,000
• Ferry 1st g. 4½'s......	1922	1,494,000	M & S	101	Feb. 29,'04	....	....	....
• g. 4's..................	1932	325,000	J & D	102½	May 5,'97	....	....	....
• unified g. 4's...........	1949	6,860,000	M & S	101¾	June27,'04	101¾	100	20,000
• deb. g. 5's........	1934	1,135,000	J & D	110	June22,'04	110	110	1,000
• gtd. refunding g. 4's..	1949	10,000,000	M & S	101¾	June30,'04	101¾	101	10,000
• • registered........			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
• 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	Q JAN	112¼	Apr. 9,'02	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.	1927	2,724,000	M & S	101⅝	June17,'04	101⅝	101¼	15,000
Louis. & Nash. gen. g. 6's.......	1930	8,239,000	J & D	117⅛	June29,'04	117⅛	117	16,000
• gold 5's................	1937	1,764,000	M & N	110⅛	Dec. 18,'03	....	....	....
• Unified gold 4's........	1940	31,722,000	J & J	102	June30,'04	102	100¾	472,000
• registered	1940		J & J	101⅞	June18,'94	101⅞	101⅞	2,000
• collateral trust g. 5's,	1931	5,129,000	M & N	113	June30,'04	113	111½	37,000
• 5-20yr. col. tr. deed g. 4's.	1923	23,000,000	A A O	98⅝	June30,'04	98⅝	97¼	896,000
• E., Hend. & N. 1st 6's..	1919	1,730,000	J & D	111½	June 9,'04	111½	111½	3,000
• L. Cin. & Lex. g. 4½'s...	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
• N.O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	128¼	May 31,'04	....	....	....
• 2d g. 6's................	1930	1,000,000	J & J	122¾	Aug.31,'03	....	....	....
• Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
• St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	122	Apr. 21,'04	....	...	....
• 2d g. 3's................	1980	3,000,000	M & S	75	June20,'02	....	....	....
• H. B'ge 1st sk'fd. g 6's.	1931	1,587,000	M & S	....	....	....	....	....
• Ken. Cent. g. 4's......	1987	6,742,000	J & J	99½	June15,'04	99½	99½	1,000
• L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
• South. Mon. joint 4's.	1952	11,827,000	J & J	93½	June29,'04	94	92¾	26,000
• registered....			Q Jan	....	....	....	....	....
• N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	115	June20,'04	115	115	1,000
• Pen. & At. 1st g. g. 6's,	1921	2,454,000	F & A	115	Jan. 29,'04	....	....	....
• S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	112	Apr. 21,'04	....	....	....
• So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	97½	Apr. 9,'04	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	105	June30,'04	105	103¼	131,000
• registered..................			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's....	1908	10,818,000	J & J	110⅛	June30,'04	110⅛	109¾	25,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
• con. mtge. 4's...........	1911	65,690,000	J & J	64⅝	June30,'04	65	60	321,000
• 1st con. inc. 3's..........	1939	20,511,000	JULY	13	June23,'04	13⅛	12	77,000
• 2d 3's....................	1939	11,724,000	JULY	7¾	June30,'04	7¾	6¾	28,000
• equip. & collat. g. 5's....	1917	600,000	A & O	....	....	....	....	....
• 2d series g. 5's..........	1919	715,000	A & O	....	....	....	....	....
• col. trust g. 4½'s 1st se of	1907	10,000,000	F & A	93¼	June28,'04	93⅛	93¼	6,000
Mexican Internat'l 1st con g. 4's.	1977	3,362,000	M & S	90⅝	July 29,'01	....	....	....
• stamped gtd..............		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....	1910	1,016,000	J & D	....	....	....	....	....
• registered................			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	142	Dec. 7,'03	....	....	....
• Iowa ext. 1st g. 7's......	1909	1,015,000	J & D	112⅜	Dec. 24,'03	....	....	....
• Pacific ext. 1st g. 6's....	1921	1,382,000	J & A	120½	Feb. 29,'04	....	....	....
• Southw. ext. 1st g. 7's...	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
• 1st con. g. 5's...........	1934	5,000,000	M & N	116	June29,'04	116	114¼	59,000
• 1st & refunding g. 4's...	1949	7,600,000	M & S	98¼	June23,'04	96¼	96	56,000
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	26,815,000	J & J	98	Apr. 3,'01	....	....	....
• stamped pay. of int. gtd.				....	....	....	....	....
Minneapolis & Pacific 1st m. 5's..	1936	337,000	J & J	102	Mar. 26,'87	....	....	....
• stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,209,000	J & J	103	Nov. 11,'01	....	....	....
• stamped pay. of int. gtd.				89⅜	June 18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	40,000,000	J & D	98⅝	June30,'04	98¾	98	119,000
• 2d mtge. g. 4's.........	1990	20,000,000	F & A	78½	June28,'04	79	76⅞	120,500
• 1st ext gold 5's..	1944	3,254,000	M & N	101¼	June30,'04	101¼	99½	148,000
St. Louis div. 1st refundg 4s...	2001	1,852,000	A & O	82	Mar. 28,'04	....	....	....
Dallas & Waco 1st gtd. g. 5's....	1940	1,340,000	M & N	102	Jan. 26,'04	....	....	....
Mo. K. & T. of Tex 1st gtd. g. 5's.	1942	4,505,000	M & S	102¼	June30,'04	102⅝	101	73,000
Sher. Shrevept & So 1st gtd. g. 5's	1943	1,689,000	J & D	103	May 10,'04	....	....	....
Kan. City & Pacific 1st g. 4's...	1990	2,500,000	F & A	88¾	June17,'04	88¾	88¾	2,000
Mo. Kan. & East'n 1st gtd. g. 5's.	1942	4,000,000	A & O	110	June21,'04	110	109	3,000
Missouri, Pacific 1st con. g. 6's...	1920	14,904,000	M & N	120¼	June23,'04	120¼	119⅝	58,000
• 3d mortgage 7's.......	1906	3,828,000	M & N	107⅝	June28,'04	107⅝	106⅝	14,000
• trusts gold 5's stamp'd	1917	14,376,000	M & S	107¾	June28,'04	107¾	106	118,000
• registered..............			M & S	....	....	....	....	....
• 1st collateral gold 5's.	1920	9,636,000	F & A	108¼	June29,'04	108¼	107⅛	12,000
• registered..............			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	95	June21,'04	95	93⅞	9,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Little Rock & Ft. Smith 1st 7's.	1905	3,000,000	J & J	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	103⅛	June17,'04	103⅛	103⅛	1,000
• 2d extended g. 5's.....	1938	2,573,000	F & A	113¾	May 25,'04	....	....	....
St. L. & I. g. con. R.R. & l. gr. 5's	1931	36,799,000	A & O	115¾	June30,'04	116	114½	111,000
• stamped gtd gold 5's..	1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
• unify'g & rfd'g g. 4's.	1929	27,563,000	J & J	90¾	June30,'04	91¼	88	174,000
• registered..............			J & J	87¼	Apr. 23,'04	....	....	....
• Riv & Gulf divs 1st g 4s.	1933	14,924,000	M & N	93¾	June24,'04	94	92½	60,000
• registered..............			M & N	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...	1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
• small..........		226,000	J & J	90	Feb. 4,'03	....	....	....
• mtg. g. 4's..............	1945	700,000	J & J	91	Feb. 25,'04	....	....	....
• small....................		500,000	......	....	....	....	....	....
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..	1927	7,000,000	J & J	123¾	June 6,'04	123¾	123¾	3,500
• 1st extension 6's......	1927	974,000	J & D	121	Apr. 23,'04	....	....	....
• gen. g. 4's............	1938	9,472,000	Q J	93	June14,'04	93	93	2,000
• Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	113½	May 9,'04	....	....	....
St. Louis & Cairo gtd g. 4's.....	1931	4,000,000	M & S	90	Apr. 13,'04	....	....	....
• collateral g. 4's........	1930	2,494,000	Q F	90	May 11,'04	....	....	....
Nashville, Chat. & St. L. 1st 7's...	1913	6,300,000	J & J	124⅛	June27,'04	124⅛	124⅛	27,000
• 1st cons. g. 5's..........	1928	7,566,000	A & O	113⅛	June27,'04	113⅛	112	2,000
• 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01	....	....	....
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	113½	June 9,'04	113½	113½	1,000
• 1st 6's T. & Pb...........	1917	300,000	J & J	110	Dec. 20,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	103½	June29,'04	103½	103¼	11,000
• 1st con. g. 4's............	1951	22,000,000	A & O	77½	June30,'04	78	74	458,000
N. O. & N. East. prior lien g. 6's..	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
N.Y. Cent. & Hud. R. g. mtg. 3½s.	1997	70,857,000	J & J	100⅝	June25,'04	101¾	99¾	128,000
• • registered			J & J	99½	June10,'04	99⅞	98	23,000
• debenture 5's	1884-1904	4,480,000	M & S	101¾	June17,'04	101¾	101¾	4,000
debenture 5's reg			M & S	100⅞	Apr. 6,'04	....	....	....
• reg. deben. 5's	1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
• debenture g. 4's	1890-1905	5,094,000	J & D	100⅝	Mar. 2,'04	....	....	....
• registered			J & D	99	Dec. 12,'02	....	....	....
• deb. cert. ext. g. 4's	1905	3,581,000	M & N	99¾	May 17,'04	....	....	....
• registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	92¼	June30,'04	92¾	90⅛	223,000
• registered			F & A	91⅛	June28,'04	91⅛	89½	72,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	90⅛	June30,'04	90½	89⅛	540,000
• registered			F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	106⅛	June28,'04	106⅛	106⅛	4,000
• registered			J & J	102	Mar. 31,'03	....	....	....
• 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
• registered		....	J & J	....	....	....	....	....
• ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O	....	....	....	....	....
• registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June23,'04	87½	87⅛	500
• small bonds series B		33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
• reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's.	1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's.	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.	2361	50,000,000	J & J	109	June28,'04	109½	108¼	99,000
• registered			J & J	106	June29,'04	107¾	105½	53,500
Lake Shore g 3½s.	1997	50,000,000		99¼	June28,'04	99¼	99	10,000
• registered			J & D	98	Apr. 13,'04	....	....	....
• deb. g. 4's	1928	40,000,000	M & S	100¾	June30,'04	100¾	99¼	110,000
Detroit, Mon. & Toledo 1st 7's.	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	121	Nov. 21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
• 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
• 5's	1931	3,576,000	M & S	122	Jan. 16,'04	....	....	....
• 5's reg	1931		Q M	127	June19,'02	....	....	....
• 4's	1940	2,600,000	J & J	106¼	June 9,'04	106¼	106¼	1,000
• 4's reg			J & J	106½	Nov.26,19'	....	....	....
• g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S	....	....	....	....	....
• 1st g. 3½'s	1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	100	Sept.24,19'	....	....	....
• 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	113	Apr. 4,'04	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	2,081,000	A & O	116⅜	June10,'04	116⅜	116⅜	1,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's.	1922	1,800,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104½	June30,'04	104½	103¼	128,000
• registered			A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	101⅞	Apr. 20,'03	....	....	....
• 1st 6's	1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's.	1992	17,937,000	M & S	103¼	June27,'04	103⅜	102⅝	62,000
• registered......$5,000 only.		....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,590,000	M & N	112½	Apr. 12,'04	....	....	....
Norfolk & Western gen. mtg. 6's.	1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
• imp'ment and ext. 6's	1934	5,000,000	F & A	127	Nov. 28,'03	....	....	....
• New River 1st 6's	1932	2,000,000	A & O	132½	June29,'04	132½	131¾	24,000

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Norfolk & West. Ry 1st con. g. 4s.	1996	38,710,500	A & O	100⅝	June30,'04	100⅝	98⅝	413,500
" registered			A & O	99¾	June18,'03	99¾	99¾	2,000
" small bonds			A & O					
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	93½	June30,'04	93½	89¾	523,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01			
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	100½	June23,'04	100⅝	100½	13,000
N. P. Ry prior ln ry.&ld.gt.g.4's.	1997	101,392,500	Q J	104⅞	June30,'04	105	104⅛	389,500
" registered			Q J	104½	June21,'04	104½	104	36,500
" gen. lien g. 3's	2047	56,000,000	Q F	74¼	June30,'04	74⅜	71½	252,500
" registered			Q F	72⅜	June17,'04	72⅝	71¼	18,000
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	97⅝	Jan. 11,'04			
" registered			J & D					
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	123½	June28,'04	123½	123½	1,000
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
" 2d 5's	1917	2,000,000	A & O	105⅛	Apr. 11,'04			
" 1st con. g. 4's	1968	1,000,000	J & D	98	Nov. 27,'03			
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	85	May 3,'04			
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,641,000	J & J	113⅛	May 31,'04			
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	114½	May 4,'02			
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 29,'02			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	107	June11,'04	107½	107	9,000
Panama 1st sink fund g. 4½'s	1917	2,246,000	A & O	102½	June16,'03	102½	102½	2,000
" s. f. subsidy g 6's	1910	837,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110¼	June27,'04	110¼	109½	55,000
" reg	1921		J & J	105¾	June25,'04	105¾	105¾	2,000
" gtd.3½ col.tr.reg. cts.	1937	4,895,000	M & S	96	Feb. 8,'04			
" gtd.3½ col.tr.cts.serB	1941	9,794,000	F & A	92¼	Dec. 28,'03			
" Trust Co. ctfs. g. 3½'s.	1916	17,332,000	M & N	96¼	June25,'04	96¼	96¼	1,000
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	118½	June27,'04	118½	118½	2,000
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J					
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,983,000	F & A	96	Jan. 8,'04			
E.&Pitts. gen.gtd.g.3½s Ser. B.	1940	2,250,000	J & J	102	Nov. 7,19'			
" " " C.	1940	1,508,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	108	Apr. 25,'04			
" Series B gtd	1942	8,786,000	A & O	110	Mar. 5,'04			
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01			
" Series D gtd. 4's	1945	4,983,000	M & N	101½	Mar. 11,'04			
" Series E gtd. g. 3½s.	1949	10,421,000	F & A	90½	June 7,'04	90½	90½	1,000
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walbonding Vy.&O.1st gtd.bds 4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	105	Mar. 26,'04			
con. sterling gold 6 per cent	1905	22,762,000	J & J					
con. currency, 6's registered	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S	114	Dec. 15,'03			
" registered			Q M					
con. gold 4 per cent	1943	2,797,000	M & N	106	Aug. 28,'03			
" ten year conv. 3½'s	1912	20,694,500	M & N	96¾	June24,'04	97	94¾	155,000
Allegh. Valley gen gtd. g. 4's.	1942	5,389,000	M & S	110	Aug. 28,19'			
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del.R. RR.& BgeCo 1stgtdg.4's.	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	108½	Apr. 20,'04			
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J					
U'd N.J. RR. & Can Co. g 4's.	1944	5,646,000	M & S	117	May 1,19'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	121	May 14,'04			
" 2d m 4½'s	1921	1,499,000	M & N	98	June23,'04	98	98	10,000
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	120	June 2,'04	120	120	1,000
" 1st con. gold 5's	1939	2,850,000	M & N	109	May 20,'04			
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	110½	Feb. 19,'04			
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112⅛	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	115⅛	Mar. 7,'04	....	....	....
• 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	114⅛	May 5,'04	....	....	....
Reading Co. gen. g. 4's	1997	66,232,000	J & J	101	June30,'04	101	99⅛	977,000
• registered			J & J	99	June13,'03	99	99	2,000
• Jersey Cent. col. g. 4's	1957	23,000,000	......	95	June30,'04	95	93⅝	58,000
• • registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's	1951	1,063,000	M & N	....		....	....	....
Philadelphia & Reading con. 6's	1911	7,304,000	J & D	....		....	....	....
• registered		663,000	J & D	....		....	....	....
• 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
• • registered		3,339,000	J & D	....		....	....	....
Rio Grande Junc'n 1st gtd. g. 5's	1939	2,000,000	J & D	110⅝	June23,'04	110⅝	110⅛	10,000
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	68	June27,'04	68	68	1,000
• guaranteed		2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g 4s	1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd. g. 4's	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 3.342	1947	3,500,000	J & J	84⅛	June11,'04	84⅛	84⅛	3,000
St. L. & Adirondack Ry. 1st g. 5's	1996	800,000	J & J	....		....	....	....
• 2d g. 6's	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B	1906	998,000	M & N	103¼	June 2,'04	103¼	103¼	1,000
• 2d g. 6's, Class C	1906	829,000	M & N	103⅝	June24,'04	103⅝	103½	6,000
• gen. g. 6's	1931	3,681,000	J & J	127	June21,'04	127	126	8,000
• gen. g. 5's	1931	5,803,000	J & J	112½	June28,'04	112½	112	5,000
St. L & San F. R. R. con. g. 4's	1996	1,558,000	J & D	96⅛	May 19,'04	....	....	....
• S. W. div. g. 5's	1947	829,000	A & O	100	Jan. 21,'04	....	....	....
• refunding g. 4's	1951	56,585,000	J & J	83	June30,'04	83	81¾	521,000
• • registered			J & J	....		....	....	....
• 5 year 4½'s gold notes	1908	5,728,000	J & D	....		....	....	....
Kan. Cy Ft. S. & Mem R R con g 6's	1928	13,736,000	M & N	119⅛	Feb. 4,'04	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s	1936	15,329,000	A & O	81¼	June30,'04	81¼	79	888,000
• registered			A & O	78⅛	Jan. 14,'04	....	....	....
Kan. Cy & M. R. & B. Co. 1st gtd g 5s	1929	3,000,000	A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.	1989	20,000,000	M & N	94¾	June29,'04	95	91⅛	109,000
• 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	73½	June29,'04	74	71	110,000
• con. g. 4's	1932	12,054,000	J & D	68¼	June29,'04	70	65⅛	459,000
Gray's Point, Term. 1st gtd. g. 5's	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,197,000	A & O	109	May 18,'04	....	....	....
• 1st con. 6's	1933	13,344,000	J & J	132	June 6,'04	132	132	2,000
• 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
• 1st c. 6's, red'd to g. 4½'s		19,408,000	J & J	110	June15,'04	110	109⅛	20,000
• 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's	1910	5,465,000	M & N	109⅛	May 11,'04	....	....	....
• Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	102	May 26,'04	....	....	....
• registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, lstd. 1st g. 5's	1908	4,700,000	A & O	104	Aug.15,'03	....	....	....
• registered			A & O	....		....	....	....
• Minn. N. div. 1st g. 4's	1940	5,000,000	A & O	....		....	....	....
• registered			A & O	....		....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	135	Apr. 25,'04	....	....	....
• 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
• 1st g. g. 5's	1937	4,000,000	J & J	114⅛	Mar. 16,'04	....	....	....
• registered			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
• registered			J & D	....		....	....	....
Salt Lake City 1st g. s. f. 6's	1913	297,000	J & J	....		....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's	1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	69	June30,'04	70	69	9,000
• registered			A & O	....		....	....	....
• col. trust refdg g. 5's	1911	10,000,000	M & N	98	June29,'04	98	97	20,000
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	93	June20,'04	93	92⅛	12,000
Fla Cent & Peninsular 1st g. 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
• 1st land grant ext g. 5's	1930	410,000	J & J	....		....	....	....
• cons. g. 5's	1943	4,870,000	J & J	106⅛	Feb. 26,'02	....	....	....
Georgia & Alabama 1st con. 5's	1945	2,922,000	J & J	105¾	June 9,'04	105¾	105⅛	30,000
Ga. Car. & Nthern 1st gtd g. 5's	1929	5,360,000	J & J	108	June30,'04	108	108	1,000
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	....		....	....	....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
• 2-5 year col. trust g. 4½'s	1905	30,000,000	J & D	100¾	June30,'04	100¼	99⅛	303,000
• g. 4's Central Pac. coll.	1949	28,818,500	J & D	93½	June30,'04	93⅝	89¾	527,500
• • registered			J & D	87	Jan. 20,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	102	Apr. 29,'04	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	70,496,000	F & A	100⅞	June30,'04	100⅞	100	684,500
• registered			F & A	99¼	Mar. 5,'93	....	....	....
• mtge. gtd. g. 3½'s	1929	18,040,500	J & D	88	June30,'04	88	85	186,000
• • registered			J & D	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
• 2d g 7's	1905	1,000,000	J & D	103¾	Apr. 12,'04	....	....	....
• Mex. & P. div 1st g 5's	1931	13,418,000	M & N	107	June 1,'04	107	107	1,000
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	105	June 6,'04	105	105	1,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	105	Dec. 18,'03	....	....	....
• 1st gtd. g. 5's	1933	2,199,000	M & N	103	Nov. 6,'02	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	5,267,000	J & J	112	Apr. 14,'04	....	....	....
• con. g 6's int. gtd	1912	2,616,000	A & O	112	June22,'04	112	112	2,000
• gen. g 4's int. gtd	1921	4,287,000	A & O	92⅞	May 26,'04	....	....	....
• W&Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....		....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	121	May 6,'04	....	....	....
• 1st 7's	1918	5,000,000	A & O	130	Apr. 26,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	107	June 8,'04	107	106¾	13,000
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	100	Jan. 8,'04	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	87	June29,'04	87	81½	826,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108	May 23,'04	....	....	....
• • •	1910	4,000,000	J & J	108⅝	June17,'04	108⅝	108⅝	1,000
• of Cal. 1st g 6's ser. A.	1905	29,187,500	A & O	102	May 6,'04	....	....	....
• • • ser. B.	1905		A & O	102	Oct. 22,'03	....	....	....
• • • C. & D.	1906		A & O	102	Apr. 12,'04	....	....	....
• • • E. & F.	1902		A & O	115¼	June14,'04	115¼	115¼	15,000
• • •	1912	....	A & O	116	June29,'04	116	116	7,000
• 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
• stamped	1905-1937	21,546,000	......	108½	June24,'04	109	107¾	46,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....		....	....	....
• of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Mar. 9,'04	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	101	Feb. 5,'04	....	....	....
• Sabine div. 1st g 6's	1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
• con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04	....	....	....
Southern Railway 1st con. g 5's	1994	39,208,000	J & J	117⅝	June30,'04	118	115⅝	447,000
• registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	95	June27,'04	95	92¾	90,000
• registered			M & S	....		....	....	....
• Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	113	Dec. 18,'03	....	....	....
• registered			J & J	....		....	....	....
• St. Louis div. 1st g. 4's	1951	11,250,000	J & J	98	June30,'04	98	94	76,000
• • registered			J & J	....		....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	117½	Apr. 20,'04	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96⅝	June29,'04	96⅝	95	55,000
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	113½	Apr. 23,'04	....	....	....
• con. 1st g 5's	1956	12,770,000	M & N	118½	June28,'04	118⅝	118	23,000
• reorg. lien g 4's	1938	4,500,000	M & S	112	June25,'04	112	112	1,000
• registered			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	123	June 2,'04	123	123	2,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	122	May 19,'04	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116⅝	June13,'04	116⅝	116	7,000
• deb. 5's stamped	1927	3,368,000	A & O	112⅝	June24,'04	112⅝	112	25,000
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	92	Sept. 9,'02	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	105½	June29,'04	105¾	105	9,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
• small			M & S	....		....	....	....
• ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
• small			M & S	....		....	....	....
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
• small			M & S	....		....	....	....
• ser. D 4-5's	1921	950,000	M & S	110	June28,'04	110	110	1,500
• small			M & S	....		....	....	....
• ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04	....	....	....
• small			M & S	....		....	....	....
• ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	113¾	June28,'04	113¾	112	11,000
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	117	June22,'04	117	116¼	15,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,'19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Ter. R. R. Assn. St. Louis 1g 4½'s.1939	7,000,000	A & O	114½	Dec. 1,'03	....	....	....
" 1st con. g. 5's.....1894–1944	5,000,000	F & A	116¼	June17,'04	116¼	116¼	3,000
St. L. Mers. bdg. Ter. gtd g. 5's.1930	3,500,000	A & O	110	Mar. 26,'03	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	2,741,000	M & S	100	Sept.30,'03	....	....	....
" 1st gold 5's.............2000	22,234,000	J & D	118⅞	June29,'04	119	115¾	159,000
" 2d gold income, 5's......2000	963,000	MAR.	80	June15,'04	82	80	8,000
" La. Div.B.L. 1st g.5's...1931	4,241,000	J & J	109	May 21,'04	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's.........1930	500,000	F & A	106½	Mar. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	114⅞	May 14,'04	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	111	May 31,'04	....	....	....
" gen. g. 5's.... 1935	2,000,000	J & D	106	Apr. 25,'04	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	93	May 19.'04	....	....	....
Toledo, Peoria & W. 1st g 4's....1917	4,800,000	J & D	92	June16,'04	92	92	4,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	85½	June30,'04	85½	84¾	11,000
" registered..................		J & J	....		....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	71	June30,'04	71	69¾	44,000
" registered..................		A & O	....		....	....	....
Toronto, Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's....1928	2,000,000	J & D	110½	June30,'04	112	110½	2,000
" 1st ref. g. 4's............1952	700,000	A & O	....		....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	105⅞	June30,'04	106	104¾	518,500
" registered..................		J & J	104	May 24,'04	....	....	....
" 1st lien con. g. 4's......1911	87,257,000	M & N	99⅞	June30,'04	100	96¾	3,007,000
" registered..................		M & N	98½	June21,'04	98½	96¾	8,000
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	102⅜	June28,'04	102⅛	100	149,000
Oreg. Short Line Ry. 1st g. 6's.1922	13,651,000	F & A	124½	June29.'04	124½	122⅝	2,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	117	June27,'04	117	115¾	25,000
" 4's&participat'g g.bds.1927	41,000,000	F & A	97¼	June30,'04	97⅜	94⅝	787,000
" registered................		F & A	95¼	Apr. 13,'04	..	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's 1926	1,802,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	104¼	June23,'04	104¼	103¾	10,000
Wabash R.R. Co., 1st gold 5's....1939	33,001,000	M & N	117¼	June29,'04	117½	115¼	148,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	109½	June29,'04	109¾	109	6[illegible],000
" deben. mtg series A...1939	3,500,000	J & J	94	June24,'04	94	94	2,000
" series B..................1939	26,500,000	J & J	57	June30,'04	61¼	56	1,079,000
" first lien eqpt. fd.g. 5's.1921	2,755,000	M & S	102	Jan. 13,'04	....	....	....
" 1st lien 50 yr.g.term4's.1954	1,416,000	J & J	....		....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,349,000	J & J	110½	June 9,'04	110½	110½	2,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	90	Feb. 20,'04	....	....	....
" Omaha div. 1st g. 3½s..1941	3,000,000	A & O	83	June25,'04	83	83	1,000
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C.& N. St. Chas. B. 1st6's1908	473,000	A & O	109½	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's..1937	9,990,000	J & J	116	Apr. 19,'04	....	....	....
" gen g. 3-4's..............1943	9,789,000	A & O	93⅜	May 18,'04	....	....	....
" inc. 5's................. .1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	122	Dec. 15,'03	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	112	Apr. 18,'04	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	110¼	May 17,'04	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
" 20 year eqptmt s.f.g.5's.1922	2,152,000	J & J	103	June25,'04	103	102¾	20,000
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,618,000	M & S	91½	June30,'04	91½	89½	115,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,743,000	J & J	91½	June29,'04	91½	90	84,000
Mil. & L. Winnebago 1st 6's.....1912	1,430,000	J & J	....		....	....	....
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	106	June29,'04	106½	102¾	26,000
" 1st ref. conv. g. 4's....2002	5,000,000	J & J	79¾	June30,'04	80	76½	1,165,000
" " registered........		J & J	....		....	....	....
" City R. R. 1st c. 5's1916.1941	4,373,000	J & J	109	June29,'04	109	108¾	6,000
" Qu. Co. & S. c. gd.g. 5's.1941	2,255,000	M & N	100	Mar. 30,'04	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	107	June30,'04	107	104⅛	138,000
" stamped guaranteed......		......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	90⅜	June30,'04	90½	86¼	413,000
" stamped guaranteed		......	....		....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	84¾	June30,'04	85	80¼	579,000
City & Sub. R'y. Balt. 1st g. 5's...1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	94½	June14,'04	94½	94½	5,000
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13.19'	...	....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....		....	....	....
Metropol'n Ry Co. 1st g. g. 6's.1911	913,000	J & J	....		....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,750,000	J & D	....		....	....	....
Louisville Railw'y Co. 1st c. g. 5's. 1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	113⅝	June28,'04	114	112¼	41,000
" refunding 4's..........2002	15,134,000	A & O	90	June30,'04	90⅞	89⅛	60,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	115	June27,'04	115	113	21,000
" registered..................		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	116¾	May 31,'04	....	....	....
" registered..................		M & S			....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	115½	May 25,'04	....	....	....
" registered..................		M & S			....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	96	June30,'04	96	94¾	533,000
" registered..................		J & J			....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	121	June29,'04	121	121	2,000
Met. West Side Elev.Chic.1stg.4's.1938	9,808,000	F & A	94	June 2,'04	94	94	2,000
" registered..................		F & A			....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's..........1919	4,050,000	J & J	110	June28,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	8,500,000	M & N			....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	109¼	Apr. 14,'03	....	....	....
" gtd. gold 5's...........1937	1,138,000	J & J	113	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	80¾	June13,'04	80¾	80¾	1,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	80⅝	June30,'04	80⅝	78⅞	625,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N			....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	102½	June30,'04	102¾	101	70,500
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	62½	May 25,'04	....	....	....
Chic.Junc.& St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Sept.30,'03	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,775,000	A & O	76½	Mar. 31,'04	....	....	....
Hackensack Water Co.1st 4's....1952	3,000,000	J & J			....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1919	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H.& L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's.......1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co.50 yrs.1st g.4's..1951	11,580,000	F & A	90	June30,'04	90½	89½	7,000
" registered..................		F & A			....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J			....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D			....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	108	Nov. 28,'03	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series D 4½'s..............1901-1916	1,000,000	J & J			....	....	....
" E 4's................1907-1917	1,000,000	J & D			....	....	....
" F 4's................1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's................1903-1918	1,000,000	F & A			....	....	....
" H 4's................1903-1918	1,000,000	M & N			....	....	....
" I 4's................1904-1919	1,000,000	F & A			....	....	....
" J 4's................1904-1919	1,000,000	M & N			....	....	....
" K 4's................1905-1920	1,000,000	J & J			....	....	....
Small bonds........................	....	......			....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	97½	June30,'04	97½	97	8,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	80	June30,'04	80	75¼	74,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	87	June27,'04	87	87	1,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	79	June28,'04	79	77½	3,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	61½	June30,'04	62¾	59¾	1,867,000
" registered..................		F & A	58½	May 5,'04	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	63⅜	June30,'04	65	61½	351,500
Dis. Co. of Am. coll. trust g 5's..1911	2,530,000	J & J	99	Sept.16,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....
Internat'l PaperCo. 1st con.g.6's.1918	9,724,000	F & A	108½	June28,'04	108½	108	10,000
Int. Steam Pump 10 year deb. 6's.1913	2,500,000	J & J	103	June24,'04	103	101¾	117,000
Knick'r'ker IceCo.(Chic) 1st g 5's.1928	1,937,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	98	June29,'04	98	97¾	150,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,924,000	J & J	87	June15,'04	87	87	2,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	65¾	June 8,'04	65¾	65¾	2,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	40	June24,'04	40	38	12,000
Standard Rope&Twine inc.g.5s..1946	7,500,000	......	2	May 25,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name.	Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	June Sales. High.	June Sales. Low.	June Sales. Total.
United Fruit Co., con. 5's	1911	3,655,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	109⅛	June25,'04	109⅛	109	27,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	79	Aug.12,'03	....	....	....
U. S. Shipbldg. 1st & fd g. 5's ser. A	1932	14,500,000	J & J	28	Feb. 5,'04	....	....	....
• collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U. S. Steel Corp. 10-60yr. g. sk. fd 5's	1963	....	M & N	75⅝	June30,'04	75⅞	73	6,418,500
• • • reg.	1963	170,000,000	M & N	75⅛	June30,'04	75⅛	72⅞	18,000
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g. s. fd. g 5's	1943	5,355,000	F & A	99	June23,'04	100	98⅛	58,000
• conv. deb. g. 5's	1911	1,731,000	F & A	73	May 5,'04	....	....	....
• • registered			F & A	....	....	....	....	....
• • Trust Co. certfs.		12,337,000	......	69⅝	June30,'04	69⅝	69⅝	5,000
Col. C'l & I'n Dev. Co. gtd g. 5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
• Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	610,000	M & N	105	Mar. 9,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's	1919	949,000	A & O	115	June23,'02	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
• 2d g. 5 s	1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	3,000,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s.	1928	1,146,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's.	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's.	1912	335,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's.	1951	3,000,000	J & J	91¾	June30,'04	91¾	91¾	4,000
• Tenn. div. 1st g. 6's	1917	1,182,000	A & O	106	Apr. 30,'04	....	....	....
• Birmingh. div. 1st con. 6's	1917	3,637,000	J & J	108	June 6,'04	108	108	1,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&I Co. gtd. g. 6's	1910	2,729,500	F & A	105	June11,'04	105	104	15,000
Utah Fuel Co. 1st s. f. g. 5's	1931	866,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,652,000	M & S	71	June 6,'04	71	71	1,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's.	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union Gas Co. 1st con g. 5's.	1945	14,493,000	M & N	115¼	June29,'04	115	112½	65,000
Buffalo Gas Co. 1st g. 5's.	1947	5,900,000	A & O	54	June24,'04	60	54	16,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,608,000	J & J	97	June27,'04	97	97	1,000
Detroit Gas Co. 1st con. g. 5's	1918	381,000	F & A	105	June 2,'03	....	...	....
Eq. G. L. Co. of N. Y. 1st con. g. 5's.	1932	3,500,000	M & S	112	Nov.11,'03	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	90	June22,'04	90	88	15,000
Grand Rapids G. L. Co. 1st g. 5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105	June18,'04	105	104¾	2,000
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L. & Power g. 5's.	1937	2,500,000	A & O	....	....	....	....	....
• purchase money 6's	1997	5,010,000	J & J	120⅛	June20,'04	120⅛	120	4,000
Edison El Ill. Bkln 1st con. g. 4's.	1939	4,275,000	J & J	94⅝	June23,'04	94⅝	94⅝	1,000
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	107¾	June24,'04	107¾	107⅝	26,000
• small bonds				97⅛	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's.	1927	6,000,000	M & N	89⅞	Apr. 29,'04	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N. Y. Gas EL. H & P Co 1st col tr g 5's.	1948	15,000,000	J & D	108⅛	June30,'04	108⅛	105⅛	328,000
• registered			J & D					
• purchase mny col tr g 4's.	1949	20,927,000	F & A	95	June30,'04	95	92⅝	166,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	104⅞	June20,'04	104⅞	104¼	28,000
• 1st con. g. 5's	1995	2,156,000	J & J	120½	June27,'04	120½	120½	3,000
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	101	May 11,'04	....	...	....
N. Y. & Richmond Gas Co. 1st g. 5's.	1921	1,000,000	M & N	100	Mar. 15,'04	....	....	....
Paterson & Pas. G. & E. con. g. 5's.	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	101⅛	June14,'03	101⅛	101⅛	3,000
• 2d gtd. g. 6's	1904	2,500,000	J & D	101	June15,'04	101	101	8,000
• 1st con. g 6's	1943	4,900,000	A & O	122	June28,'04	122	122	3,000
• refunding g. 5's	1947	2,500,000	M & S	103	Apr. 9,'04	....	....	....
• refuding registered			M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's.	1937	10,000,000	J & J	109½	June28,'04	109½	109½	1,000
Con. Gas Co. Chic. 1st gtd. g. 5's.	1936	4,346,000	J & D	105⅛	May 6,'04	....	....	....
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's.	1905	2,000,000	J & J	:01	Mar. 5,'04	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's.	1947	5,000,000	M & N	105	Apr. 27,'04	....	....	....
• registered		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's.	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's.	1950	1,000,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's.	1950	5,350,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	Principal Due.	Amount.	Int't paid.	LAST SALE. Price.	LAST SALE. Date.	JUNE SALES. High	JUNE SALES. Low.	JUNE SALES. Total.
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	38,000,000	J & J	94	June30,'04	94	94	1,000
Commercial Cable Co. 1st g. 4's.	2397.	10,734,300	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered	....		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	1,823,000	M & N	109¾	June22,'04	109¾	109¾	1,000
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's	...1938	8,504,000	J & J	108¾	June 1,'04	108¾	108¾	1,000
" fundg & real estate g.4½'s.	1950	17,000,000	M & N	103⅜	June30,'04	103⅛	101¾	118,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107	June20,'04	107	107	7,000
Northern Tel. Co. gtd fd.4½'s	..1934	1,500,000	J & J	103¾	Apr. 27,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	Principal Due.	Amount.	Int'st Paid.	YEAR 1904. High.	YEAR 1904. Low.	JUNE SALES. High.	JUNE SALES. Low.	JUNE SALES. Total.
United States con. 2's registered	...1930	542,909,950	Q J	107¼	104¾	104¾	104¾	500
" con. 2's coupon	1930		Q J	106¼	105¼	....	....	......
" con. 2's reg. small bonds	..1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	77,135,300	Q F	106¾	105⅝	....	....	......
" 3's coupon	1908-18		Q F	108	105¾	106⅛	106	8,500
" 3's small bonds reg	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	107⅛	105¾	....	....	......
" 4's registered	1907	156,801,500	J A J&O	108¼	106¾	106⅜	106¼	18,000
" 4's coupon	1907		J A J&O	108	107	107¼	107¼	3,000
" 4's registered	1925	118,489,900	Q F	132⅞	132⅜	....	....	......
" 4's coupon.	1925		Q F	134	132½	133	132⅛	4,000
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered	....		F & A	....	....	....	....	......
Philippine Islands land pur. 4's	...1914-34	7,000,000	Q F	111¾	111¾	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	102¾	102¼	....	....	......
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	105	105	105	105	20,000
" " small bonds	....							
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	102⅛	102	....	....	......
" small	....		J & J					
" 6's	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds	1866-1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds	1892-1898	624,000	J & J	....	....	....	....	......
" "	....		A & O	....	....	....	....	......
" Chatham R. R.	....	1,200,000	A & O	....	....	....	....	......
" special tax Class 1	....	....	A & O	....	....	....	....	......
" " Class 2	....	....	A & O	....	....	....	....	......
" " to Western N. C. R.	...	....	A & O	....	....	....	....	......
" " Western R. R.	....	....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R.	....	....	A & O	....	....	....	....	......
" " Western & Tar. R.	.....	....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	95¼	97	97	11,000
" registered	....	6,079,000	J & J	....	....	....	....	......
" small bond	....	362,200	J & J	....	....	....	....	......
" redemption 4's	1907	469,000	A & O	....	....	....	....	......
" 4½s	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s	1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Virginia fund debt 2-3's of...........	1991	18,054,277	J & J	92⅛	91⅛	....	....	......
" registered.....................			J & J	....	....	....	....	......
" 6's deferred cts. Issue of	1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		8,716,565	....	8	6½	7	6⅛	50,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1.......	1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's............................	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200........................		£22,162,120	......	100⅛	98⅝	....	....	......
Small bonds denominations of £20......		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......

FIXED UP THE OVERDRAFT.—"Just to oblige" a depositor the Cashier of a bank in a Western town allowed him to overdraw his account $1,000. A few days later the Cashier learned there was to be an examination of the bank's accounts. He sent at once for the depositor, and told him of the impending examination and asked him to make his account good.

"I can't do it," replied the depositor. 'I haven't the money and I can't possibly raise it inside of three weeks. What can I do about it?"

The Cashier was in sore straits. He did not have money enough of his own to make good the deficit and for a long time he couldn't think of any way of bridging the trouble. Suddenly a bright idea dawned on him.

"I'll tell you what we'll do," he said to the depositor. "You draw a draft on the Shah of Persia for $1,000 and deposit it in your account. It will be at least six weeks before we have it returned protested. Meanwhile you can skirmish up the money to make good the overdraft."

The depositor laughed at the idea, but made out the draft on the Shah and put it in for collection.

"There'll be a hot time in Persia when the Shah gets that," the depositor said to the Cashier, and the Cashier agreed with him.

Within three weeks the depositor made some collections through his regular business and straightened out his bank account.

About six weeks after the draft was made on the Shah the Cashier received a check from Teheran for $1,000 from the equerry of the Shah. On the back of the voucher which accompanied it and above the endorsement of the equerry, this statement was written:

"The Shah of Persia requests that hereafter all bills from the United States of America shall be itemized."—*Chicago Tribune.*

NEW COUNTERFEIT $10 UNITED STATES NOTE.—A crude, blurred, half-tone engraving of a $10 United States note; series, 1901; check letter, A; plate No. 48; serial number, 11194281; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States. Printed on thin paper. No detail. This counterfeit is too poor to justify any further description.

BANKERS' OBITUARY RECORD.

Barrows.—Henry F. Barrows, President of the North Attleborough National Bank, North Attleboro, Mass., died May 26, aged about seventy-seven years. Mr. Barrows was an eminently successful business man, and took great pride in the bank, which he served most efficiently as President, refusing to accept any remuneration for his services.

Battin.—Sylvester S. Battin, President of the Manufacturers National Bank and the Security Savings Bank, Newark, N. J., died July 3, aged seventy-three years.

Converse.—Elisha S. Converse, President of the First National Bank, Malden, Mass., died June 5 in his eighty-fourth year. He was prominent in business affairs and had represented Malden in both houses of the Legislature.

Davis.—George W. Davis, who organized the Second National Bank, Toledo, Ohio, and who was its President for over forty years, died June 2, aged eighty-three years.

Dexter.—Seymour Dexter, for many years President of the Second National Bank, Elmira, N. Y., formerly President of the New York State Bankers' Association, died May 5. He was a lawyer of ability and was at one time a judge in Chemung county.

Dodge.—John L. Dodge, who until the recent annual meeting in January, was President of the National Mahaiwe Bank, Great Barrington, Mass., and who had held that position for fifty years, died May 18, aged eighty-nine years. He was largely interested in manufacturing and other enterprises in which he had amassed a fortune.

Ely.—S. L. Ely, Cashier of the Union Savings Bank, Davenport, Iowa, died June 4, in his thirty-ninth year.

Frost.—Cyrus Frost, former President of the Westchester County National Bank, Peekskill, N. Y., and later Vice-President, died May 30, aged eighty-four years. He had been a director of the bank for half a century.

Fuller.—Harrison Fuller, Vice-President of the Farmers' National Bank, Adams, N. Y., and a director of the Watertown (N. Y.) National Bank, died June 4, aged fifty-eight years. He was a large landowner, and was prominent in politics, having been elected to the New York Assembly in 1891 and twice re-elected.

Jones.—John E. Jones, Cashier of the First National Bank, Lake Linden, Mich., died June 23. He was born at Hazel Green, Wis., in 1864, and after graduating entered the First National Bank, Hancock, Mich., where he remained for thirteen years and rose to the position of Cashier. In 1889 he became Cashier of the First National Bank, Lake Linden, Mich.

Kelley.—D. Elliott Kelley, Cashier of the Central Bank, Lexington, Ky., and one of the best-known business men of Central Kentucky, died May 29.

Leonard.—Charles P. Leonard, President of the Black River National Bank, Lowville, N. Y., died June 6, aged seventy-eight years.

Mersick.—Charles S. Mersick, President of the Merchants' National Bank, New Haven, Ct., died June 24, aged sixty years.

Mitchell.—Gove Mitchell, Cashier of the People's National Bank, Langhorne, Pa., from the time of its organization, died June 17, in his eighty-first year.

Norton.—Wm. H. Norton, President of the Rollinsford Savings Bank, Salmon Falls, N. H., died June 4. In 1886 he was a member of the State Senate, and was for fifty-two years town clerk and treasurer.

Pruyn.—Isaac Pruyn, who was formerly President of the Catskill (N. Y.) National Bank, holding that office over thirty years, died June 3, aged eighty-eight years.

Rogers.—James H. Rogers, Assistant Cashier of the Center Bank, Guthrie Center, Iowa, died June 17.

Roland.—Cornelius F. Rowland, President of the New Holland (Pa.) National Bank, died June 21, aged eighty-two years.

Sawyer.—Aaron F. Sawyer, President of the Chrisman-Sawyer Banking Co., Independence, Mo., died May 28. He was born at Lexington, Mo., July 16, 1849, and after being educated engaged in the wholesale grocery business in St. Louis, and later in banking in New York city. In 1871 he succeeded his father as President of the Chrisman-Sawyer Banking Co. at Independence, Mo. The bank was founded in 1857.

Shawhan.—James Shawhan, President of the Citizens' State Bank, Petersburg, Ind., died May 26, in his seventy-ninth year.

Tiebout.—John Tiebout, former President of the Dry Dock Savings Institution, New York city, died June 27, aged seventy-six years.

Wells.—J. E. Wells, President of the First National Bank, Portage, Wis., died June 19, aged sixty-two years.

Willets.—J. R. Willets, Treasurer of the Roslyn (N. Y.) Savings Bank, died June 6, aged sixty-five years.

Wood.—Ben B. Wood, Vice-President of the Merchants' National Bank, Omaha, Neb., died June 19, aged sixty-four years.

THE

BANKERS' MAGAZINE

RHODES' JOURNAL OF BANKING and THE BANKERS' MAGAZINE Consolidated.

FIFTY-EIGHTH YEAR. AUGUST, 1904. VOLUME LXIX, No. 2.

THE DEMOCRATIC CONVENTION at St. Louis accepted a declared gold standard man as its candidate, after the rejection from the regular platform of a gold plank. This at first sight has the effect of eliminating the money question from the campaign. Both parties have in effect declared that the gold standard will not be disturbed; the Republican by distinctly committing itself to the maintenance of that standard, and the Democratic by admitting that the question of the standard has been virtually settled and that the money question is not an issue in the campaign. But there is more to the money question than the settlement of the standard. It will be remembered that Mr. BRYAN, in the discussion of Judge PARKER's famous telegram, wished to catechise the nominee on a number of other points; whether he was in favor of an asset bank currency, whether he believed in National branch banking, and whether he was opposed or not to the melting up of the silver dollars. Mr. BRYAN clearly indicated by these questions how there may be a great difference between the two parties in their treatment of auxiliary monetary questions. He indicated a desire on his part to keep alive that prejudice against banks and banking which has been one of the most potent weapons of the political demagógue.

Mr. BRYAN no longer represents his party, but he represents a considerable element, which perhaps in both parties tends to keep stirred up the dregs of the old contest between hard and soft money, between fiat and intrinsic value, and between Government money and bank money. These auxiliary questions are not by any means settled, and in the settlement of any one of them there may arise pretexts for the disturbance of the gold standard.

Whatever may be the character and moral courage of the candidate of the Democratic party, he cannot prevent those elements of his following who have stood for discredited financial methods from

constantly arousing the apprehensions of the financial world by their evident hankering after the old idols.

While both parties now appear to place themselves in the same position as regards the gold standard, it may be hard for the financial world to believe that this standard will be as safe in the hands of its late enemies as in those of the party which first declared for its maintenance. In GROVER CLEVELAND the Democratic party had a President who from sound training and conviction was a gold standard man. But he carried out his beliefs in opposition to the party which elected him, and if he had not been a man of exceptional firmness and courage, he might easily have found it impossible to bear up against the storm of obloquy he encountered. Men of the CLEVELAND type are rare. The telegram sent by Judge PARKER, declaring himself a gold standard man and declining nomination unless accepted as such, is no doubt an incident showing character and courage, but it is apt to be overrated if it is taken as final proof of what the conduct of the man would be after he had become President, and as such exposed to the almost resistless influences by which the office is surrounded.

The question which presents itself to the financial world in making up its mind as to which of the two parties is to be preferred, notwithstanding the similarity of the position of the candidates in regard to the gold standard, is, which party as a party is more likely to carry out the promise of its platform or candidate on the monetary question. If it were not for the strong individuality of Judge PARKER and the confidence this inspires, the proceedings of the St. Louis convention as far as the monetary question is concerned leave the public very much in doubt as to the fate of financial legislation should the party obtain control of legislative and administrative machinery. There is much indifference to important financial legislation manifested in the councils of both parties. The Republicans, though having full control of the Government machinery, have done nothing to reform the banking laws or to make needed changes in the coinage of silver, or to settle on a secure basis the deposit of public moneys with the banks. Such steps toward legislative action as have been taken by the Republican Congress have been such as would be recognized by financial authorities as generally wise and likely to benefit the financial system of the country. All of them make for the support of the gold standard, by lessening the demand obligations of the Treasury. It is questionable whether the Democratic party would be equally wise in financial legislation, if it could have its way. It is possible and perhaps probable that Judge PARKER, if he became President, would check by his veto any attempt by Congress to lessen the influence of the banks, or to prevent the absorption into the subsidiary coinage of

the surplus silver dollars; but the public, viewing the two parties, will regard the Democratic as the more likely of the two to change the present monetary policy. This party is more apt to increase the power of the independent Treasury, not so much from a wish to grant greater influence to the executive, as from a feeling of opposition to the banks. It is more apt to do something for silver by retaining as long as possible the silver dollar and the silver certificate. It is more apt to oppose the retirement of the legal tender note. It is the spirit manifested by Mr. BRYAN to foster and perpetuate as long as possible the prejudice against National banks, which seems to indicate that the rank and file of the Democratic party regard with favor attacks on the banking interests of the country. Legislation keeping up the circulation of silver dollars and silver certificates, and of the legal-tender notes, legislation in opposition to the employment of National banks as depositories of public moneys, all tend to gratify this prejudice against the National banking system, and lessen the usefulness of banking both to the Government and the people. From a financial standpoint, the Republican party is perhaps less open to distrust than the Democratic, though the financial record of the former party is by no means beyond criticism.

THE RECENT CENTENNIAL ANNIVERSARY of the death of ALEXANDER HAMILTON calls to mind the immense influence the ideas of one man have had upon the growth and progress of the United States as a nation. To HAMILTON perhaps more than to any one individual citizen has been due the successful elaboration of principles which have bound together the people of the United States and given them national feeling. The thirteen colonies before and during the war of the Revolution, though having some interests in common, were, as a rule, selfishly local in their ordinary conduct. To get them to act together, even in the common defense, was a labor of no small difficulty, and in financial matters it was well-nigh impossible to induce them to conform or adhere to any uniform plan. HAMILTON, during the Revolutionary War and the period succeeding that war up to the time of the adoption of the Constitution, had ample opportunity to observe the elements which tended to the separation and disintegration of the colonies, even after they had succeeded in obtaining independence of the mother country. He was probably the leading spirit among those who clearly saw the necessity of surrendering to a central Government, to be used for the benefit of all, what might be called the national powers of the separate colonies. He was active in all the events leading up to the meeting of the Federal Convention, and in shaping the deliberations of that body. For, although the

Constitution proposed by HAMILTON was not accepted, his bold stand for a strong central government undoubtedly exercised great influence over the proceedings. After the Convention had formulated the the Constitution, HAMILTON did more than any other one man to secure the adoption of the instrument by the different States. The Federalist stands to-day as the monument of his labors in this respect.

HAMILTON'S greatest work, however, was financial. Probably if any particular legislative and executive action had more weight than another in consolidating the foundations of a firm union of the States, it was the various steps taken by Congress and the Executive in the funding and payment of the Revolutionary debt. The weak side in the old Continental Confederation had been the financial. The people of the various colonies lost respect for a Government which failed to meet its money engagements. The holders of the Revolutionary debt were scattered all over the territory of the thirteen States. They held the evidences of moneys loaned and supplies furnished. The Continental money was also largely in evidence as a token of the utter financial futility of the Continental Congress. It is probable that no one expected the payment of any portion of the Revolutionary debt. When HAMILTON brought his financial recommendations before the first Congress under the Federal Constitution, he appealed to the strongest binding force that could then be evoked. By funding the Revolutionary debt and providing means for its payment, and arranging the finances of the new country on an orderly and effective basis, he at once insured the future strength of the union of the States.

It may be noted that the strength of the Federal Government has increased and diminished with the fluctuations of the national debt. With the payment of the Revolutionary debt the power of the States gained on that of the central Government, while the latter became stronger at the periods when the Federal debt increased. The necessity of exercising its powers to provide revenues to meet the debt has invariably increased the strength of the central Government.

The principles underlying a pure democracy tend to disintegration, and to preserve the undoubted benefits of democratic Government these must be combined with it a principle of concentration. It was the firm establishment by HAMILTON of the Federal Government in principles of financial probity and solidity that has given to the American spirit of democracy the nucleus of firm central Government, without which progress or even the maintenance of order would have proved impossible.

In viewing HAMILTON'S career the conspicuous element in his character is the sincerity and honesty of purpose manifested. Because

it has become an axiom that these qualities must exist as the foundation of successful finance, it is more difficult to see anything out of the common in HAMILTON'S early financial plans. But when it is considered how easy it would have been for any one placed as HAMILTON was to have used the opportunity he had, in the personal interests of himself and friends, and knowing how easily men are swayed by their personal interests, the high-mindedness of HAMILTON'S conduct becomes more and more conspicuous. But honesty and sincerity of character are manifested not only in his public financial dealings. These qualities were equally conspicuous in his private life. They shone forth, perhaps, to his immediate disadvantage, in his controversy with BURR, which led to the fatal duel, and in other personal transactions, where it might easily be believed that less frankness of spirit might have proved a strong defense.

HAMILTON believed in a strong government, and as JEFFERSON has come to be head of the cult of pure democracy, so HAMILTON is now the representative of concentration. It may well be doubted whether the views of the two men were so diametrically opposed as their modern elevation into types and figureheads may seem to indicate. JEFFERSON, as shown by his action in regard to the Louisiana purchase, could when necessary act as decisively for the maintenance of the Federal Union as HAMILTON would have done. And this purchase was rendered possible by HAMILTON'S orderly and successful arrangement of the finances. It was the funding of the Revolutionary debt, and the regular payment of principal and interest, which had gone on for fourteen years, which inspired in NAPOLEON the confidence in the United States necessary to his acceptance of the bonds which were given in payment. Under the old Continental Congress, if it had been perpetuated, lying sprawling among the scattered fragments of its dishonored financial engagements, no such negotiations could have been successfully carried on.

In HAMILTON we find a character, which while recognizing the value of private enterprise and the importance of each citizen having a due regard to the increase of his private fortune, still regarded public interests as paramount, looking upon the public welfare as above that of the private system. In large measure HAMILTON'S ideas control the machinery of our modern monetary system. In some respects this may perhaps be disputed. He is regarded as the great advocate of the central Government bank which has been repudiated politically. But the spirit and principle involved in a central bank was essentially the keeping in circulation the funds which were withdrawn from the cash of the business community to furnish the Government revenue.

Though HAMILTON'S central bank does not survive in the particular

form in which he conceived it, yet its functions are performed practically by the union of the powers and resources of a number of separate banks, National, State and private. In fact, our banking interests to-day accomplish feats greater than perhaps could be attempted by a central bank, by uniting in a way analogous to the union of the States under the Constitution. But it must also be remembered that HAMILTON may with justice be called the originator of State as well as of National banking. He organized the Bank of New York, now known as the Bank of New York National Banking Association, the third bank organized in the United States, and practically in operation as early as any, with perhaps a single exception. If HAMILTON were alive to-day, he could with right claim the whole system of American banking as having the sanction of his practice. But while preserving the forms of financial machinery approved by the great financier and statesman, the business world of to-day in many respects has departed from the beneficent public spirit his life and course of action showed to have been his inspiration. True, the banks and capitalists come forward eagerly enough when the Government needs loans; more eagerly than in HAMILTON'S day, for based on the sure foundation laid by him, the credit both of the Government and of the States and municipalities within its boundaries has improved, but there is among these banks and business men a spirit which savors of that selfish democracy which would have sacrificed the Federal Constitution to the petty interests of this or that colony. There is among the business community to-day a disregard of public interests, of the general welfare of the community, in the competition for individual gain and aggrandizement, which is not in the spirit manifested by HAMILTON. The evils which are complained of to-day in the business of the country are due to the neglect of a proper public spirit. And this lack of public spirit is the consequence of the growth of individuality at the expense of the spirit of union, which in addition to individual enterprise is needed to build up and preserve the welfare of great communities.

THE COINAGE OF SILVER DOLLARS, it has been announced, has ceased. The bullion acquired by the United States Treasury under the silver purchase act of 1890 has been exhausted, and there is no authority to obtain more for the purpose. The amount of silver dollars coined since the passage of the act of 1878 is $567,980,319, an average of $21,845,400 per annum. The mass of metal of which these dollars are composed, at 412.5 grains to the dollar, weighs 16,735 tons of 2,000 pounds avoirdupois each. The largest part of these

dollars, nearly 500 millions of them, are stored in the Treasury, some 462 millions being represented by silver certificates in circulation.

As time goes on the purchase and coinage of this immense amount of silver at a time when the price of the metal was going down will come to be looked upon as one of the most gigantic mistakes ever made by a nation. Fifty years from now the historian will look back on the events which led up to this useless labor and will wonder at the delusion which so infatuated people with a belief that Government could legislate value into silver. That this is not seen to-day is due to the fact that too many are alive who are as yet too proud to admit that they were so deceived by false theories. Consistency seems to be everything with politicians as well as with many others, and this is the explanation why so many like BRYAN still deny that they were wrong.

With this mass of silver the country is like the man who captured the bear, afraid to let go and afraid to hold on. There is no doubt, however, that like all other governmental mistakes, the consequences of which have to be borne by the taxpayers, this one will be made good by the lapse of time.

The prosperity of the country upon a gold standard has entirely disproved the assertions that cheap money would prove a panacea for trade difficulties. The only result of this silver craze is that for a future period of indefinite length the country will have to sustain the value of this mass of dollars at par in gold. Moreover, these dollars will, for an indefinite time, stand in the way of needed improvements of our monetary system.

THE PAYMENT OF INTEREST ON DEPOSITS is a subject which always seems to revive in dull times, when the banks holding the accounts often find it difficult to use the money profitably. The payment of interest on standing accounts naturally gains strength with the increase of competition. It has been proposed to prevent the practice by legislation, and perhaps if it were possible to do this effectually the majority of the banks might not be sorry.

In the United States there are so many kinds of banks that they cannot all be reached by any one authority, and perhaps except by taxation the private banks could not be reached at all. Congress could legislate for National banks, the different State Legislatures for the State institutions, but the banks which are not organized under these general banking laws could not be reached so easily, if at all.

Intrinsically there is nothing objectionable in the payment of interest on deposit accounts, always supposing that a bank can make itself at least even by the use of the money. There are no doubt

many banks that are forced by the competition for accounts to pay more than they can afford. Even when in the long run a bank is able to make a profit on the accounts for which it pays interest, there are periods during which interest is paid at a loss. But the general fact that banks are willing to pay interest indicates that the banks as a rule gain by it. It cannot for a moment be supposed that banks as a rule lose by the payment of interest. If they did the practice would soon be abandoned.

There is no probability that the banks will ever cease, by mutual agreement, from a practice which usually has the effect of building up the power and resources of an institution. But if it were possible to stop the practice, on the part of all the commercial banks of the country, there is no doubt that all of these banks would find their profits much augmented. Not only would it benefit the commercial banks, but indirectly it would help the Savings banks and trust companies that are compelled to pay higher rates of interest because of the practice of the commercial banks seeking to attract deposits by the payment of interest. Bankers think of these things in dull times, but when a demand for money again arises they no longer feel the burden and the discussion ceases till they again find themselves paying interest at a loss.

THE RECENT FAILURES of several banks in different parts of the country, some National and some State institutions, were naturally to be expected, considering that a period of less active trade has commenced. The bad failures under a system of free and independent banks of comparatively small resources are not very numerous, nor do they ordinarily have more than a local effect on business. But where banking is divided among so many institutions some failures may be expected.

It is not alone the safety of banks that has ever been their greatest recommendation. It is the convenience which banks give to business men in accomplishing their various enterprises that makes them most valuable to the public. Most banks, however, add to the facility they afford the public in carrying on every-day business almost perfect safety to those who intrust their money to the banks for safe keeping. There are institutions in this and other countries that have for long periods of time met every obligation which they have ever assumed. There are banks in the United States that are now in the second century of their existence, and these institutions are quite youthful compared with the Bank of England and some other European banks. With some few exceptions, however, the oldest banks in the United States are older than most of the existing European

banks. The Bank of New York, founded by ALEXANDER HAMILTON, is older than the Bank of France. And there is at least one older institution in the United States than the Bank of New York. Neither of these, however, can be considered as having great resources when compared with such monster institutions as the Banks of England and France. Their history proves the truth of what has been often repeated, that a small bank, well managed and kept within the proper limits of its business, is as safe as a large one. Safety of banks is not due to the amount of their capital or the size of their deposit line. The small bank is often more profitable in proportion than those of larger capital. But the size of a bank is relative; what is a big bank in one place is a small one in another. The biggest bank in New York city is not so proportionately large to the wealth of the community in which it is located as is the Bank of England in London.

In fact, the United States is a country of small banks. Their individual lack of resources is compensated for by their habit of mutual support in times of exceptional pressure. It is noticeable that this development in strength when needed, began by the habit of association with the invention of the clearing-house, simply intended to facilitate payments among banks. The necessity of some form of association for this purpose brought the banks to understand how valuable for other purposes association might be made. It is not uncommon for writers to point to the banking laws and customs of other countries as superior to our own. There are undoubtedly very often different ways of accomplishing the same thing and very often each of these different ways may have good points about them. Banking is a comparatively modern affair. The United States has not had a very long history, and yet modern banking as we see it throughout the world to-day is but very little if any older than the United States under the Federal Constitution. The banks of the United States are about as old as any in the world. Taking the experience of the different States, as well as that of the United States as a whole, and it is extremely doubtful if more kinds and varieties of banking were ever actually tried than have at various times and under the various governments of the States and of the United States been tried in this country. Almost every form of banking ever devised has had practical trial here. The present banks are the resultant of a long process by which banking methods unsuitable to the environment were weeded out. The present system, or as some have been pleased to call it, lack of system, has been a clear example of the survival of the fittest. Probably the State bank as found doing business under the laws of the different States represents the bank best fitted to survive and affiliate itself under local government. The National bank as de-

signed by CHASE was founded on the best types of State banks then existing, but owing to legal restrictions it probably does not meet all the wants of the smaller communities as does the State bank of to day.

It is believed, however, that the taking away of the circulation privilege from the State banks was one of the best consequences of the putting the National banking system in operation. The circulation feature was always the weak point of the State banking systems, as it always must be of any system in which the individual banks have comparatively small capital and resources.

WITH THE LOW PRICES OF UNITED STATES BONDS it would naturally be expected that National bank circulation would have increased, and during the month ending July 1 the circulation based on bonds did increase over five millions of dollars. The redemption of notes retired by the deposit of legal tenders reduced the aggregate amount outstanding, so that the actual increase in the aggregate amount was something over three millions of dollars.

The bank notes have apparently increased notwithstanding a decline in trade conditions. The calling in of the public moneys to meet the Panama payments released bonds held by the banks as security for the public deposits, and it was necessary in order not to lose on the two per cents. especially, either to sell them, or to take out circulating notes upon them. The current prices did not warrant a sale, and the only other way was to use them as a basis for additional circulating notes.

Whatever other causes may retard a revival of trade it will not be a lack of currency. The surplus reserves of the banks are growing, and every form of currency, except the silver dollars and silver certificates, are either increasing or not diminishing. To the discouraging elements of the monetary situation that of any contraction of the circulating medium is not added. On this fact seem to rest the hopes of speculators of a better condition of the stock markets. When the prices of bonds used for bank circulation rise as a rule there follows some contraction of the bank currency. With the two per cent. bonds the rate of interest return is so low that hardly any investor can afford to hold them except a bank that can use them as security for either circulating notes or public moneys. If all the debt of the United States consisted of two per cent. bonds, there might be changes in the circulation issued by particular banks, but there would be very little change in the aggregate amount of circulation outstanding. Some banks might withdraw bonds to sell to other banks, but the two per cent. bonds, in order to command a market at a price above par, must be used as security either for public moneys or for circu-

lating notes. As the proportion of two per cents. held by the banks becomes greater the aggregate amount of circulation outstanding will remain at nearly the same amount. With the issues of new Panama bonds there will probably be a large increase in National bank circulation.

TRADE REACTION throughout the country is at length beginning to be recognized and admitted. For a long time optimistic views have prevailed, but the facts of lessening railroad earnings and diminished clearing-house exchanges can no longer be ignored.

Many causes have combined during the present year to prevent a quick revival from the speculative panic of 1903. Undoubtedly there might have been the recovery which was expected, if it had not been for a series of unfortunate events. The strike on the lakes, and the results on railway traffic, the mining troubles in Colorado, the high price of cotton affecting the cotton industries, and above all the cold of the spring season and the backwardness of the crops. The Presidential election has also had its effect, though now the menace to prosperity in the shape of free silver that existed in 1896 and to a less degree in 1900, has been apparently removed.

Undoubtedly the prosperity of the country was due to the economy and care exercised after the panic of 1893. Every available material was economized and used up to its fullest extent. When returns for the frugally conducted labors of two or three years were realized the people found themselves in the position where they had to buy new supplies. The crops of the years from 1896 to 1900 were raised with the old machinery, but the year 1900 found agriculturists forced to renew their supplies. What took place with the farmers happened to a greater or less extent to all those who required machinery or material of any kind in their business. It was the same with railroads and manufacturing plants. The country took the opportunity to stock up. There was much speculation in addition to the legitimate laying in of supplies, which caused all productive industries to extend themselves. The set-back received in 1903 was due first to over-speculation ; but even if this had not occurred, the effect of the large purchases of materials and supplies would have been felt in the cessation of purchases in many lines of trade. The country is not only glutted with material, but it feels the need of using its capital carefully in making its usual productive efforts. Losses and disappointment in regard to the crops will have additional bad effects. It is to be hoped, however, that in this respect prospects will improve. The damage to the wheat crop may yet prove less than anticipated, or it may be balanced by improvement in corn and cotton.

THE BANKS OF THE UNITED STATES are made the subject of an interesting review in the July issue of the London "Bankers' Magazine." The article fully and accurately describes the growth of American banks, presenting a large amount of statistical information dealing with the banks, the money supply and the foreign trade.

It is shown that while in 1882 we had but one bank for every 7,190 of the population, in 1903 there was a bank for every 4,410, compared with one banking office for every 6,238 inhabitants for the United Kingdom. Thus it would appear that in the ratio of banks to population at least we are as well off as Great Britain, although we do not have the branch system. Deposits per inhabitant in this country are £25 7s. 10d., compared with £20 2s. 6d. in Great Britain.

Commenting on the ratio of capital to deposits, the London "Magazine" says:

"The gradual reduction in the proportion of the capital to the deposits in the United States within the last twenty years is remarkable. The proportion of the capital to the deposits approximates, however, fairly closely to that in the United Kingdom. It will be a surprise to our readers to learn that the banking deposits of the United States are larger than those of the United Kingdom proportionally to inhabitants as well as in amount. * * * The National banks have at all times maintained a larger proportion of capital to deposits than the other banks have done. Outside observers, such as those who live in a country so differently circumstanced as the United Kingdom from the United States, are naturally less able than the inhabitants to understand the details of business arrangements, but we note with something like regret the diminution in the proportion of the capital to the deposits in this large and influential body of well-managed banks."

A table is presented showing the population, wealth, money in the country, the per capita circulation, bank clearings and imports and exports for a series of years, and this comment is made:

"Perhaps the feature in the table which will strike the English reader most is the increase of the exports during the period. The proportional increase in them is far larger than in the imports. This and the enormous increase in the clearings of the banks are very striking as evidence of the growth of the prosperity of the United States of recent years."

THE AMERICAN BANKERS' ASSOCIATION will hold its thirtieth annual convention in New York city September 14, 15 and 16. As the membership is the largest ever reported, and the interest in the work of the association constantly growing, it is expected that the coming convention will be very largely attended. Further announcement of the meeting will appear next month.

THE WORLD'S INCREASING SUPPLY OF GOLD.

A French economist, M. Théry, estimates that during the ten years from 1894 to 1904 the stock of gold held by the banks of the world has nearly doubled ; to be exact, has risen from $1,577,000,000 in 1894 to $2,810,000,000, in 1904. Of the increase, amounting to $1,226,000,000, the United States has received $680,000,000, and the European banks $546,000,000.

This doubling of the stock of gold was the reason given by some of the leaders at the St. Louis Convention for the abandonment of the ideas that led to the adoption of the silver platform in 1896 and 1900. There might still have been some excuse, in 1896, for a fear that the supply of gold alone would not be sufficient for the monetary needs of the world. In 1900, however, the increase of the supply was very much in evidence and the reasons for a change from a silver platform to one of gold were as good in that year as they are now in 1904.

The effect of such an increase in the gold supply, which would have been still greater had it not been for the closing of the South African mines by the Boer war, cannot fail to be viewed with some apprehension. The supply, instead of diminishing, will no doubt continue to increase for some time at least with the reopening of the South African mines and the continuation of the Alaska yield. The great finds of gold-producing areas during the last ten years and the consequent increase in gold production are but a repetition of what occurred during the decennial period following the discovery of the gold supplies of California and Australia about 1850. Then there were apprehensions of such fall in the value of gold as would unsettle its purchasing power. It was this early increase of the gold supply, followed about twenty years later by an enormous increase in the production of silver, that caused the agitating phenomena incident to the demonetization of silver.

The common sense of the world seems to have recognized the danger of retaining for monetary purposes such increased stocks both of silver and of gold. The abandonment of silver was accomplished with great difficulty and the chief reason of this difficulty was the increase in the business of the world. The gold supplies of the period of 1850 were absorbed by this increase, and many believed that with the abandonment of silver the gold stock would prove inadequate. Those who held this view were the ones who kept up the agitation to remonetize silver, and but for the great gold discoveries in Alaska and South Africa they might perhaps have convinced the world of the soundness of their views.

It is probable that from the earliest ages the gold supply has been liable to sudden accessions from new discoveries. In earlier periods these events were not taken much notice of, but the last two accessions have occurred when the economic world has become observant of its own phenomena. The stock of gold, great as it is at the present time, has not in one sense exceeded the business demand. It cannot be denied that the increase in business due to the economic development of the last century could not have been carried

on in coined money alone. The use of coined money and of bullion used as money has been supplemented several hundred fold by the use of representative money made possible by credit and the various banking and financial machinery of the commercial world. If the proportion of real money used in transactions be taken as a guide, it is found that this proportion in transactions passing through the banks of a country like the United States for instance varies according to the intensity of business in different localities from one or two to twenty per cent. of the total transactions. Assuming that throughout the world the transactions of business require a somewhat larger proportion of cash than shown by the statistics of countries where circumstances are most favorable to banking, it would not be unfair to conclude that the use of representative credit money throughout the world is at least two-thirds that of real coined money or bullion weighted as money. It may therefore be reasoned that the supply of gold, great as it is, will not have the effect in diminishing the intrinsic money value of the metal to the extent that might be imagined.

That money may be so cheapened in the sense that with increased supplies of the material from which coined money can be made, the demand for the representative money furnished by banking machinery would be lessened, can be very well believed. But hitherto the world has been incited to new efforts by increased supplies of money, and the history of economics ever since a record has been kept has been a history of recurring periods when the supply of money has been first greater and then less than the requirements of business. The increase of the precious metals or metal used as money has stimulated enterprise and multiplied the uses for money, until the foundation of real money became too narrow for the business structure built upon it. The gold supply of the fifties from California and Australia stimulated such a rage for commercial and industrial enterprise that even with the aid of improved financial contrivances, a scarcity of money was felt at times resulting in depression. Such was the case when the commercial nations struggling to maintain their gold reserves, after the demonetization of silver had begun, were compared to a number of men struggling to cover themselves with a blanket, which pulled over himself by one left one or more of his bedfellows out in the cold. The demonetization of silver, one of the precious metals, had its inmost reason in the fear that the value of real money would be cheapened by over-supply. But while the reasoning which led to demonetization was correct, the practical adjustment of it to the varying conditions and fluctuations of the business world was extremely difficult and resulted in numerous shocks to credit. But with such processes as the demonetization of a precious metal, backward steps are more dangerous than to keep right on even if mistakes in adjustment occur. When it was first noticed that the demonetization of silver was lowering prices unduly, the situation was only aggravated by the fruitless struggle for remonetization. Now that after fifty years the supply of gold seems again about to become redundant, the experience of the earlier additions to the gold stock when the supplies of the metal in California and Australia were discovered should be studied with greater interest.

It is probable that with the opening of the present century the world is entering on a new era of industry and enterprise which will surpass anything ever known hitherto. In fact, but a very small portion of the world has yet

been developed. Only a few favored countries have approached to anything like the full possibility of development in an economic sense. New inventions and discoveries in the realm of science have tended to overcome time and distance and to bring all parts of the world into closer relations, making it favorable to the application of the means which have developed the favored country to every portion of the world's territory. The great accession to the supply of gold, which has characterized the beginning of the twentieth century, will undoubtedly tend to encourage the enterprise which is to embrace all parts of the earth's surface. That the supply of gold as the single precious metal will ever become so great as to exceed the demand for money purposes may be doubted. There have at times been temporary difficulties growing out of the adjustment of the new supply to existing needs, but it may be safely alleged that the abundance will be absorbed by the new industry to which the excess of supply gives rise. Just now there are signs in the present high prices of a decrease in the purchasing power of gold. Although the high prices are due also in a measure to other causes, yet to some extent they are probably due to the excess of the gold supply which has not yet had time to exert its influence in increasing the enterprise of the world.

It is a matter of congratulation that in the next adjustment of the purchasing power of gold there will be no danger similar to that which arose from the demonetization of silver, and the desperate, though futile efforts for its remonetization.

NEW COUNTERFEIT $100 GOLD CERTIFICATE.—Department series; act of July 12, 1882; check letter B; plate number 5; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; portrait of Benton.

This counterfeit is a well executed lithograph, printed on bond paper of good quality, bearing blue ink marks in imitation of the silk fiber of the genuine paper. The most noticeable defect is the portrait of Benton, where the absence of light and shade effect gives a flat, unnatural appearance. The Treasury number and seal are well executed. The yellow tint of face of note is somewhat darker than genuine. The back of note is not so well executed as the face, the details of the lathe work being entirely lost, and the ink is red instead of yellow. The good general appearance of this counterfeit makes it dangerous, but it should be readily detected on close inspection, particularly if the portrait is examined.

New York State Banks.—Report of condition at the close of business on Monday, June 6, 1904.

RESOURCES.		LIABILITIES.	
Loans and discounts, less due from directors	$234,308,521	Capital	$28,145,700
Liability of directors as makers	9,539,781	Surplus fund	22,943,776
Overdrafts	163,330	Undivided profits	11,112,160
Due from trust companies, banks, bankers and brokers	41,379,096	Due depositors on demand	289,606,618
Real estate	12,536,304	Due to trust companies, banks, bankers and brokers	46,728,155
Mortgages owned	4,487,856	Due savings banks	17,456,514
Stocks and bonds	29,075,681	Due the Treasurer of the State of New York	1,763,660
Specie	36,588,290	Amount not included under any of the above heads	575,036
U. S. legal tenders and circulating notes of National banks	18,612,573	Add for cents	291
Cash items	30,730,803		
Assets not included under any of the above heads	909,624		
Add for cents	598		
	$418,331,910		$418,331,910

BANK CIRCULATION IN THE UNITED STATES AND CANADA.

There have appeared in the MAGAZINE recently two interesting articles on the working of the Canadian bank currency system. The figures given in the last article relative to the expansion and contraction of the notes of the Canadian banks indicate that there is a tendency of this circulation to increase with the increase of business and diminish when business becomes less active. It is, however, not altogether easy from the figures given to determine whether there is really any balance maintained between issues and redemptions. The difficulty arises from the fact that Canada, like the United States, to compare small things with great, is a growing country. With every period of prosperity the bank-note circulation increases, but with periods of diminished activity in business, although the volume of the notes shows some diminution, it never returns to the old minimum. With every renewed period of prosperity the bank-note circulation rises, indicating a general growth of the country, and this growth is maintained; business evidently does not shrink back to its former limit when the boom takes a rest. Thus from 1868 to 1873 the circulation rose from ten to twenty-nine millions. From 1874 to 1878, a dull period, the volume of the notes did not fall back to ten millions, but only to twenty-one millions—some ten or more millions of the increase from 1868 to 1873 became a permanent fixture as outstanding circulation. In 1892 circulation of notes had risen to thirty-six millions. Business was dull the next three years, and the circulation fell off four millions. From 1868 to 1896 the business of Canada appears to have grown from a point where it required a note circulation of about ten millions to a point where it required thirty millions.

It may be fair to presume that this increase is entirely due to the growth of the Dominion, but there is also another possible explanation. While perhaps the Canadian bank-note system is better contrived to maintain elasticity, as it is called, than the National bank-note system of the United States, yet there is reason to believe that the same causes preventing the National bank-note from freely expanding and contracting are to some extent influential in preventing the Canadian bank-notes from the same process of expansion and contraction. One cause in the United States is that the bank notes do not have the whole field of business to themselves. They have to compete with gold and silver certificates and with legal-tender notes. When the whole circulation is redundant in the United States, contraction may take place by the return of gold certificates and legal-tender notes for gold when there is a demand for the latter abroad. When money becomes so redundant and cheap that the price of bonds rises, the banks deposit legal-tender notes or gold and reduce their circulation.

But the fact is that in the United States, as in Canada, the aggregate volume of bank notes is not so easily reduced as it is increased. Competing as they do with coin certificates and legal-tender notes, it is difficult to trace the effect of business conditions on the issue or retirement of bank notes.

The Canadian bank notes have to compete with the Dominion notes, though to a less extent, and in this labor under the same disadvantage as the National bank notes.

But the chief reason why the Canadian bank notes cannot be said to respond as easily to the influences which tend to contraction as they do to those which cause expansion is the same as that which similarly affects National bank notes. The notes in both cases are too securely supported. The ordinary holder had just about as soon have bank notes as the gold or Government notes in which the bank notes are redeemable. It may be admitted that the Canadian banks have more motive to cause the redemption of each other's notes than the National banks. But with them, as with the National banks, it must be simply a question of expense whether they reissue the notes of other banks or whether they send them for redemption. If a Canadian bank receives notes of another bank in course of business, the receiving bank, if able to loan them, and thereby make a profit, would probably not lay out money in express charges to secure their redemption in money no better than the bank notes. Of course when the issuing bank shows weakness of any kind there would be more pressure to redeem its notes. The fact probably is, however, that the Canadian banks, owing to their charter privileges and the virtual monopoly they possess, are so strong that the weakening of any of them to an extent sufficient to depreciate its notes perceptibly is of very rare occurrence.

Perfect elasticity in any bank currency involves a degree of distrust of all the bank notes which is impossible under the National banking system, and almost equally so under that of Canada. Theoretically it can be conceived that the Canadian system would under certain circumstances be capable of providing an elastic note currency—as elastic, for instance, as the volume of checks with which business is so largely carried on. Practically, however, there is no more motive for the redemption of Canadian bank notes than there is for the redemption of National bank notes. If bank notes could be made subject to the legal rule of laches, as are checks and drafts, then indeed the public and the banks would hurry the notes back to the issuing bank for payment and cancellation. It is not believed that the Canadian banks or the public would desire perfect elasticity at the expense of safety.

It is this dilemma that more perhaps than any other cause has in the United States made Congress hesitate at changing the system of security on which National bank notes are at present based. The traditional belief that Canadian bank notes are examples of perfect elasticity and that they accomplish much that checks and drafts accomplish in the United States, has probably much reduced the use of checks and drafts among the business men of Canada. The business world would be better off in the Dominion if the immobility of the volume of the bank notes were recognized and a larger use of checks inaugurated in ordinary business. The banks now have full control of the situation, and by restricting issues can make the lack of notes an excuse for refusing loans except at their own rates. The Canadian system is safe, although banking competition is not so free as in the United States. It might be interesting (though perhaps without practical results) to study the efficiency of the respective systems in fostering trade and production. There is not much probability that either country will materially modify its system of banking in the near future.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

THE ORGANIZATION OF TRUST COMPANIES.—*Continued.*

The by-laws are drawn up by the directors of the company, who have power to determine their form, provided, of course, that they are not contrary to law. In New York the capital stock "must be at least $500,000; provided, however, that a corporation with a capital of not less than $200,000 may be organized in any city containing more than 100,000 inhabitants and less than 250,000 inhabitants, and a corporation may be organized with a capital of not less than $150,000 in any city containing more than 25,000 inhabitants and less than 100,000 inhabitants, and with a capital of at least $100,000 in a city or town the population of which does not exceed 25,000 inhabitants."

The laws of New York, as amended May 5, 1904, prescribe that the number of directors must be not less than thirteen nor more than thirty; the exact number, within these limits, being left for determination by the by-laws of each company. The number necessary to form a quorum may be determined by the by-laws or organization certificate, but "such quorum shall not be less than one-third of such board of directors, and in no case less than seven." No person can be a director who is not the holder of at least ten shares of the stock. "The persons named in the organization certificate, or such of them respectively as shall become holders of at least ten shares of such stock, shall constitute the first board of directors, and may add to their number not exceeding the limit of thirty, and shall severally continue in office until others are elected to fill their respective places." Within six months from the commencement of business they must classify themselves, by lot, into three classes, as nearly equal as may be. The term of office of the first class shall expire on the third Wednesday of January next following such classification; the term of the second class expires one year thereafter, and that of the third class two years thereafter. As the terms of the various members of the board expire, others are elected to fill their places by the stockholders, who may vote in person or by proxy. Proper notice of the regular meetings for such elections is required. If the stockholders fail to elect new members at the appointed time, the directors have power to fill the vacancies, as well as to fill any vacancies occuring in the interval between elections. Each director "shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such corporation, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such corporation, and that he is the owner in good faith, and in his own right, of the number of shares (ten) required by this section, subscribed by him or stand-

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

ing in his name on the books of the corporation, and that the same is not hypothecated or in any way pledged as security for any loan or debt." A certified copy of this oath must be transmitted to the Superintendent of Banks and filed and preserved in his office.

Care in the Selection of Directors..

The choice of directors is a matter of supreme importance to the interests of the company. Unless they are men of known integrity and business capacity, the company will have difficulty in making a success. It has already been urged that the stockholders of the company should be men of good standing in the community, and the best men among these should be chosen as directors. Upon them will devolve the responsibility for the general management of the company. They will choose the officers who will have charge of the active management of the company, but both the stockholders and the public expect, and have a right to expect, that the directors will see to it that these officers manage the company in the best way. No man has a right to accept the election as a director of a trust company who is not willing to give enough of his time and attention to know that matters are being properly conducted. One cannot too strongly deprecate the practice followed by some, of accepting places on such boards without intention of giving any thought or time to the trust thus accepted. Suits at law have been instituted against such careless officials when their inattention has permitted losses to stockholders and depositors alike. Whatever the legal aspect of the case may be, one who accepts such a trust and then gives it no attention, is morally guilty of criminal carelessness. He jeopardizes the property of others, and perhaps the very means of subsistence of widows and orphans.

Having completed the adoption of by-laws, decided the membership of the first board of directors, and chosen officers, and carried out the legal requirements already described, the organization of the trust company is complete. While these things are being attended to, it is presumed, as already stated, that the material equipment of the company is being made ready by those who are to be in charge of it. The offices of the company will be more or less elaborate in their arrangements, according to circumstances. It is not often that too much money is spent in making the quarters attractive and convenient, both to customers and to the workers. The general public is certain to judge an institution largely by appearances, and an attractive looking suite of rooms is very apt to add largely to the success of the company. Much difference in the customs in this matter is observable in different cities. In some it is the usual thing for banks and trust companies to be equipped in elaborate fashion. In such cities a new institution must, of course, see to it that its quarters compare favorably with others. In some cities comparatively little attention is given to making the offices attractive and convenient. A new institution starting in such a city will manifestly be the gainer by starting an improvement in this matter.

Many of the larger trust companies of to-day own their own buildings, which are constructed specially for their use. The advisability of this depends largely upon local conditions, but in most communities has much to commend it. A building is an asset that people can see, and tends to give a feeling of confidence.

The vaults of the company should be strictly up-to-date, and large enough

not for the present only, but for probable future needs. The mistake of having them too small is much more common than that of having them too large. A trust company will ordinarily have use for a larger vault or vaults than an ordinary bank, because of the securities of others that must be cared for in addition to its own securities and records. If only one vault is erected, that part used by the banking department should be separated by a grill from the portion used by the trust department. If a safety deposit department is to be conducted, of course a special equipment is necessary.

Organization of Trust Companies by Special Charter.

As already stated, trust companies in some States are incorporated only by special charter granted by the Legislature. In these States, after it has been decided to apply for a charter, a committee of the persons interested is appointed to draw up, under legal advice, an act of incorporation involving such provisions as are wanted (being sure to specify a wide range of powers), and to arrange for the introduction of the bill to the Legislature by some member thereof. If the Legislature sees fit to grant the charter, either as presented or amended by the Legislature, the company is usually authorized to begin business as soon as it wishes after the passage of the act.

Such special acts, in the absence of general laws regulating the business of trust companies, define the powers and limitations of the company. If general laws for such regulation of trust companies exist in the State, then the special act merely names the corporators, creates them a corporation under the name chosen, and confers upon them the authority to transact a trust company business under the general laws in force relating to such corporations.

The charters of companies established in the early years of the trust company movement have had added to them numerous amendments granting larger powers, as the Legislatures became more liberal in such matters. The amendments are passed by the Legislature in the form of special acts, and become part of the charter upon their formal acceptance by the company. In cases where general laws regulating the business of trust companies have been passed subsequent to the granting of special charters, such general laws, or parts of them, become part of the charter of the company upon their acceptance by the latter. The following charter of a large Boston company, doing both a banking and a trust business, will illustrate the usual form and scope of these special charters:

(Trust companies in Massachusetts were formerly incorporated only by special act. They may now be incorporated under the general incorporation law for trust companies, signed by the Governor May 25, 1904.)

COMMONWEALTH OF MASSACHUSETTS.

THE NEW ENGLAND TRUST CO.

Act of Incorporation, Granted April 22, 1869.

Section 1. Nathaniel Thayer, John C. Lee, Benjamin T. Reed, their associates and successors, are hereby made a corporation by the name of "The New England Trust Company," to be located in the City of Boston, for the purpose of holding property in trust, and for other purposes hereinafter set forth; and subject to all the duties, restrictions, and liabilities set forth in all general laws which now are or may hereafter be in force in relation to such corporations.

CAPITAL.

SECTION 2. The capital stock of said corporation shall be an amount not exceeding in the whole the sum of one million dollars (*as amended March* 30, 1871), divided into ten thousand shares of one hundred dollars each, and the same shall be paid for at such time and in such manner as the board of directors shall decide; *provided*, that no business shall be transacted by the corporation until the whole amount is subscribed for, and at least one hundred thousand dollars shall have been actually paid in and invested according to law, and no shares shall be issued nor dividends made until the par value of such shares shall have been actually paid in in cash.

POWERS.

SECTION 3. The said corporation shall have power to receive and hold moneys or property in trust or on deposit from courts of law or equity, including courts of probate and insolvency, executors, administrators, assignees, guardians, trustees, corporations or individuals, upon such terms or conditions as may be obtained or agreed upon.

SECTION 4. Any court of law or of equity, including courts of probate and insolvency of this State, may, by decree or otherwise, direct any moneys or property under its control, or that may be paid into court by the parties to any legal proceedings, or which may be brought by reason of any order or judgment in equity or otherwise, to be deposited with said corporation upon such terms and subject to such instructions as may be deemed expedient by said court; *provided, however*, that said corporation shall not be required to assume or execute any trust without its own assent.

INVESTMENTS.

SECTION 5. It shall be lawful for said corporation to invest its capital and all the moneys intrusted to it, or in any way received by it, in the authorized loans of the United States, or of any of the New England States, or cities or towns of this Commonwealth; in the stock of National banks organized within this Commonwealth; in the first mortgage bonds of any railroad company which has earned and paid regular dividends for two years next preceding such investment, or in the bonds of any such railroad company as is unincumbered by mortgage, or in the stock of such railroad companies incorporated by this State; and the said corporation may make loans upon mortgages on real estate within this Commonwealth, or upon the notes of corporations created under the laws of this Commonwealth, and the notes of individuals, with a sufficient pledge as collateral, of any of the aforesaid securities; but all real estate acquired by foreclosure of mortgages, or by levy of execution, shall be sold at public auction within two years of such foreclosure or levy.

Amended Charter—Section 2. It shall be lawful for the said corporation to invest its capital, and all moneys held by it in trust, in the authorized loans of any of the counties, cities, or towns in any of the New England States, or to loan the same to this Commonwealth, or to any county, city, or town therein; and said corporation may also invest such capital and moneys in any other securities in which Savings banks now are or hereafter may be allowed to invest, and shall be subject to and governed by the provisions concerning Savings banks which are contained in sections one hundred and forty-three and one hundred and forty-six of chapter 57 of the General Statutes.*

BANKING-HOUSE.

SECTION 6. Said corporation may hold real estate in the City of Boston, suitable for the transaction of its business, to an amount not exceeding two hundred thousand dollars.

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*General Statutes, Chapter 57.

SECTION 143. "No such corporation shall hold, both by way of investment and as security for loans, more than one-half the capital stock of any bank, nor have more than seventy-five per cent. of its deposits invested in mortgages of real estate, nor invest more than ten per cent. thereof, and not to exceed one hundred thousand dollars, in the capital stock of any corporation."

SECTION 146. "No member of a committee or officer of such corporation charged with the duty of investing its funds, shall borrow or use any portion thereof, be surety for loans to others, or in any manner, directly or indirectly, be an obligor for money borrowed of or loaned by the corporation."

EXAMINATION BY SAVINGS-BANK COMMISSIONER.

SECTION 7. The said corporation shall semi-annually make a return to the Commissioner of Savings Banks of this Commonwealth, on or before the second Mondays of May or November, which shall be signed and sworn to by a majority of its board of directors, stating the full amount of its capital stock and of all moneys and property, in detail, in the possession or charge of said company, as deposits, trust funds, or for purposes of investment; and the Commissioner of Savings Banks shall have the same access to the vaults, books, and papers of this corporation, and it shall be his duty to inspect, examine and inquire into its affairs, and to take proceedings in regard to them in the same manner and to the same extent as if this corporation were a Savings bank, subject to all the general laws which now are or hereafter may be in force in relation to such institutions in this regard.

TAXES.

SECTION 8. Repealed by the amended charter, and the following substituted:

Section 8. Said corporation shall be subject to the provisions of chapter two hundred and eighty-three of the acts of the year eighteen hundred and sixty-five, and any acts now existing, or which may hereafter be passed in amendment or lieu thereof; it shall also, annually, between the first and tenth days of May, return to the tax commissioner a true statement, attested by the oath of some officer of the corporation, of all personal property held upon any trust on the first day of May, which would be taxable if held by an individual trustee residing in this Commonwealth, and the name of every city or town in this Commonwealth where any beneficiary resided on said day, and the aggregate amount of such property then held for all beneficiaries resident in each of such cities and towns, and also the aggregate amount held for beneficiaries not resident in this Commonwealth, under the pains and penalties provided in section fourteen of chapter two hundred and eighty-three of the acts of the year eighteen hundred and sixty-five, and acts in amendment thereof, for corporations failing to make the returns provided by said act. Said corporation shall annually pay to the Treasurer of the Commonwealth a sum to be ascertained by assessment upon an amount equal to the total value of such property at a rate to be ascertained and determined by the tax commissioner, under section five of chapter two hundred and eighty-three of the acts of the year eighteen hundred and sixty-five and acts in amendment thereof.

No taxes shall be assessed in any city or town for State, county, or town purposes, upon or in respect of any property held in trust as aforesaid; but such proportion of the sum so paid by said corporation, as corresponds to the amount of such property held for beneficiaries resident in this Commonwealth, shall be credited and paid to the several cities and towns where it appears, from the returns, or other evidence, that such beneficiaries resided on the first day of May next preceding, according to the aggregate amount so held in trust for beneficiaries residing in such cities and towns respectively; and, in regard to such tax so to be assessed and paid as aforesaid, said corporation shall be subject to sections eleven, twelve, thirteen, the last paragraph of section fifteen, and section seventeen, of chapter two hundred and eighty-three of the acts of the year eighteen hundred and sixty-five and acts in amendment or lieu thereof, so far as the same are applicable thereto.

FINANCIAL AGENCIES.

SECTION 9. The said corporation is also authorized to act as agent for the purpose of issuing, registering, or countersigning the certificates of stock, bonds, or other evidences of indebtedness of any corporation, association, municipality, State or public authority, and to receive and make payments on account of the same, on such terms as may be agreed upon.

CHARTER PERPETUAL.

SECTION 10. This act shall take effect upon its passage, and shall continue in force *fifty years*, unless sooner modified or terminated by the Legislature.

Amended as follows—Section 4. Section eight, and so much of section ten, of chapter one hundred and eighty-two of the acts of the year eighteen hundred and sixty-nine, *as limits the existence of said corporation to fifty years, is hereby repealed.*

Amended Charter—Section 5. This act shall take effect whenever it shall be accepted by a vote of said corporation, at a meeting warned for the purpose.

Within thirty days after such acceptance, a copy of the vote accepting the same, certi-

fied by and attested by the oath of the President, or one of the Vice-Presidents of the corporation, and the Secretary thereof, shall be filed in the office of the Secretary of State, and such certificate shall be conclusive evidence of such acceptance.

The amended charter was duly accepted April 15, 1871, and the proper certificate filed

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AN ACT

To amend the Charter of the New England Trust Company.

Be it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows:

Section 1. The New England Trust Company may be appointed trustee under any will or instrument creating a trust, for the care and management of property, under the same circumstances, in the same manner, and subject to the same control by the court having jurisdiction of the same, as in the case of a legally qualified person. The capital stock of said corporation, with the liabilities of the stockholders existing thereunder, shall be held as security for the faithful discharge of the duties undertaken by virtue of this act, and no surety shall be required upon the bonds filed by said corporation. In all proceedings in the Probate Court or elsewhere, connected with any authority exercised under this act, all accounts, returns, and other papers may be signed and sworn to in behalf of the corporation, by any officer thereof duly authorized by it; and the answers and examinations, under oath of such officer, shall be received as the answers and examinations of the corporation, and the court may order and compel any and all officers of said corporation to answer and attend said examinations in the same manner as if they were parties to the proceedings or inquiry instead of the corporation; *provided, however*, that said corporation shall not be required to receive or hold any property or moneys or to execute any trust contrary to its own desire.

Section 2. In the management of money and property held by it as trustee under the powers conferred in the foregoing section, said corporation shall invest the same in the general trust fund of the company; *provided*, that it shall be competent for the authority making the appointment to direct, upon conferring the same, whether such money and property shall be held separately or invested in the general trust fund of the company; and provided, also, that said corporation shall always be bound to follow, and be entirely governed by all directions contained in any will or instrument under which it may act.

Section 3. No money, property, or securities received or held by said company under the provisions of this act shall be mingled with the investments of the capital stock or other moneys or property belonging to said corporation, or be liable for the debts or obligations thereof.

Section 4. The returns of said corporation required to be made to the Commissioners of Savings Banks shall be in the form of a trial balance of its books, and shall specify the different kinds of its liabilities, and the different kinds of its assets, stating the amount of each kind, in accordance with a blank form to be furnished by said commissioners. And these returns shall be published in a newspaper of the City of Boston, at the expense of said corporation, and in the annual report of said commissioners.

Section 5. This act shall take effect upon its acceptance by said corporation, which acceptance, with the date thereof, shall within ten days thereafter be certified by the President of the corporation to the Secretary of the Commonwealth.

Approved May 16, 1877.

[Accepted by the corporation at special meeting, June 1, 1877.]

AN ACT

To Allow the New England Trust Company to make Additional Investments.

Be it enacted, etc., as follows:

Section 1. The New England Trust Company, incorporated under chapter one hundred and eighty-two of the acts of the year eighteen hundred and sixty-nine, may, in addition to the investments which it is authorized to make, invest the moneys intrusted to it, or in any way received by it, in the notes of manufacturing corporations created by the laws of

any of the New England States, the property of which is unincumbered by mortgage, and which have paid a dividend for the two years next preceding such investment; also to take as collateral upon the notes of individuals, citizens of this State, for a period not exceeding four months, the bonds of cities in the United States containing at least one hundred thousand inhabitants, whose net indebtedness does not exceed five per cent. of the valuation of the taxable property therein, to be ascertained by the last preceding city valuation for the assessment of taxes, and selling in the market above par; *provided*, that said bonds shall be taken at not over eighty per cent. of the market value thereof.

SECTION 2. This act shall take effect upon its acceptance by the New England Trust Company.

Approved March 16, 1882.

[Accepted April 10, 1882.]

Where general laws regulating the trust company business are in force, the special act, as stated above, does not recite the powers and limitations of the company in detail, but merely refers to the general law covering the case. The following is an illustration of such a special act:

CHARTER OF THE FEDERAL TRUST COMPANY.

COMMONWEALTH OF MASSACHUSETTS.

IN THE YEAR ONE THOUSAND EIGHT HUNDRED AND NINETY-NINE.

AN ACT

To Incorporate the Federal Trust Company.

(Chapter 92, Acts of 1899.)

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. James W. Kenney, Thomas B. Fitzpatrick, Josiah S. Dean, James M. Morrison, Charles J. Connelly, John W. Horne, William J. Emerson, Thomas L. Jenks, Joseph B. Horton, Jeremiah C. Spillane, John J. Johnston, William J. Carlin, Pierce Powers, John E. Stanton, John B. Fitzpatrick, Lawrence J. Logan, Thomas F. Galvin and Joseph H. O'Neil, their associates and successors, are hereby made a corporation under the name of the Federal Trust Company.

SECTION 2. Said corporation shall have authority to establish and maintain a safe deposit and trust company in the City of Boston, with all the powers and privileges and subject to all the rights, duties, liabilities, and restrictions set forth in all general laws which now are or hereafter may be in force relating to such corporations.

SECTION 3. This act shall take effect upon its passage.

House of Representatives, February 14, 1899.

JOHN L. BATES, Speaker.

In those States and Territories whose laws make no special provisians for the incorporation of trust companies, and where the system of special acts granting charters does not prevail, such corporations are organized under the general incorporation laws or under the banking laws. The forms for such incorportion vary somewhat in the several States, but the incorporation certificate, which is forwarded to the Secretary of State, usually specifies the names of the corporators, the name of the proposed corporation, its location, its purpose and powers desired, the amount of its capital and number of shares into which it is divided, and the date of the instrument. The Secretary of State examines the certificate to make sure that it contains nothing inconsistent with the laws of the State, and if he finds that it is all right in this respect, issues his certificate that the articles of incorporation have been filed, and that the company has authority to do business. CLAY HERRICK.

(To be continued.)

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

BANKRUPTCY OF CUSTOMER—RIGHT OF BANK TO SET OFF UNMATURED NOTE.

United States District Court, Southern District of New York.

IN THE MATTER OF PHILLIP SEMMER GLASS CO., LTD., BANKRUPT. CLAIM OF FIRST NATIONAL BANK OF JERSEY CITY.

Under the Bankruptcy Act, a bank may offset against a deposit of the bankrupt in its hands the bankrupt's liability to the bank as indorser of paper discounted by the bank, although the date of the maturity of the paper is subsequent to the filing of the petition in bankruptcy, where that date is within the year after the bankruptcy adjudication.

This was an application of the trustee in bankruptcy for the re-examination of the claim against the bankrupt estate of the First National Bank, of Jersey City.

The petition in bankruptcy, which was involuntary, was filed March 18, 1903. For some time prior to that date the bankrupt had had a deposit account in the claimant bank, and on said March 18, 1903, there was a balance due to the bankrupt from the bank on this account of $6,232.96. On the same day the bank held unmatured promissory notes made by various makers in favor of the bankrupt, which it had, upon indorsement by the bankrupt, and in the ordinary course of business, discounted for the bankrupt's account, and on which the bankrupt had received from the bank a sum largely in excess of the balance above mentioned. This balance the bank applied to the payment of these notes as far as it would go, and it filed its claim for the remainder of the notes, amounting in all, including interest and protest fees, to $9,080.03. The notes all fell due within one year after the adjudication in bankruptcy. Payment thereon respectively was duly demanded and refused, and notice of protest given to the bankrupt as indorser.

MAGGRANE COXE, *Referee:* The objections of the trustee are based upon the fact that the notes were unmatured on the day the petition in bankruptcy was filed. He urges that for this reason it was not within the right of the bank to offset the deposit in its hands against the indebtedness of the bankrupt on the indorsements, and that should it be permitted to do so, the result would be an unlawful transfer and a preference of the bank to the extent of the deposit over the bankrupt's other creditors of the same class.

It seems now well settled and, indeed, the trustee does not deny, that had the notes fallen due before, instead of after, the filing of the petition, the offset would have been proper. There are a number of decisions to this effect,

both under the present and the former bankruptcy acts. (Hough vs. First Nat. Bank, 4 Biss. 349; Blair vs. Allen, 3 Dill. 101; *In re* Farnsworth, 5 Biss. 224; *In re* Little, 6 Am. B. R. 681, 692, 110 F. R. 621; *In re* Elslasser, 7 Am. B. R. 215.) And so, finally, is the decision of the Supreme Court of the United States in the recent case of New York County Nat. Bank vs. Massy (11 Am. B. E. 42, 192 U. S. 138). The ground of the decision in this last case is that the bankrupt's deposit in the bank, under the circumstances, did not constitute a transfer as defined by the Bankruptcy Act, for the reason that the estate of the bankrupt was not diminished thereby, the bankrupt being at liberty freely to check against the deposit in the bank up to the time of the institution of the bankruptcy proceedings. The court thereupon held that there was such mutuality between the two debts as permitted one to be set off against the other under section 68 of the act.

This decision disposes of the objection of the trustee that the deposit here was a preferential transfer, and we have remaining only the question as to whether the fact that the notes were unmatured at the time of the filing of the petition in bankruptcy eliminates that quality of mutuality which is required by section 68 in order to permit of set-off.

The trustee's contention is that on the day of the filing of the petition there was no such mutuality; that there was on that day a debt due by the bank to the bankrupt, but no debt due by the bankrupt to the bank. He further contends that immediately upon the filing of the petition in bankruptcy other and paramount equities in favor of the general creditors of the bankrupt intervened, and became superior to the equities existing between the bankrupt and the bank; and that immediately thereupon the fund in the bank became impressed with a trust in favor of the general creditors of the bankrupt and could not be retained by the bank alone.

The trustee in support of this contention cites authorities of the New York and Pennsylvania courts, and there is no doubt that under the statutes of those States the law is as he declares it to be. But the Bankruptcy Act creates a different rule of set-off, or, rather, perhaps better, adds to the classes of cases to which the rule is to be applied.

At common law, and under the statutes of New York and of other States, it is well settled that there can be no set-off unless the mutual debts are both due and payable in the hands of the parties for and against whom set-off is sought; that is to say, that unless they are presently payable as well as due the requisite mutuality does not exist (Munger vs. Albany City Bank, 85 N. Y. 580, 586). Under the bankruptcy statute, however, by section 63a, a debt is declared provable against the bankrupt estate, that is, I take it, for the purpose of bankruptcy, payable out of the estate, although not by its terms payable until after the filing of the petition, if only it be absolutely owing at that time. The operation of this section seems to be to hasten in such cases and for the purposes of bankruptcy administration, the maturity of the debt.

In the case of Meyer vs. Dickinson (5 Am. B. R. 593, 107 F. R. 86) Judge Thomas maintained the right of set-off in such a case as the one under consideration against unmatured paper of the bankrupt firm, holding that upon the institution of bankruptcy proceedings another and different rule of set-off applied from that existing under the statutes of Pennsylvania.

It seems to be the provability of the debt which is the criterion of its availability for the purposes of set-off. It was so said in re Kalter (2 N. B.

N. 264), in which case such an offset as is sought here was upheld. The fact that section 68b prohibits a set-off of any debt which is not provable would point inferentially to the same conclusion.

There seems now to be no question, though it was at first much doubted, that the claim of the bank in this case is a provable claim, notwithstanding the immaturity of the paper at the date of the commencement of the bankruptcy proceedings. It was so held in re Gersen (6 Am. B. R. 11; 107 F. R. 897). The Circuit Court of Appeals for the Third Circuit in that case, affirming the district court, holds that the liability of a bankrupt indorser of commercial paper can be proved against his estate in bankruptcy, although the paper did not fall due until after the filing of the petition.

Nor should we overlook the use of the term "mutual credits" in addition to the term mutual debts in section 68. While these terms are to be used as correlatives (Libby vs. Hopkins, 104 U. S. 303), they are not to be construed as meaning one and the same thing (Lord Kenyon in Atkinson vs. Elliott, 7 T. R. 378). The term mutual credits first appears in the English Bankruptcy System in the year 1705 (4 and 5 Anne, c. 17, sec. 11), and it has been found in all of our bankruptcy acts from the beginning (act of 1800, sec. 42; act of 1841, sec. 5; act of 1867, sec. 20; U. S. R. S., sec. 5073). It has from the first been considered of importance, and as adding materially to the cases which were held comprised under the terms mutual debts. Thus, Robson on Bankruptcy (7th ed., p. 365), says:

"The right of set-off given by the bankruptcy laws, not being confined as in the statutes of set-off, to mutual debts, but being extended to mutual credits * * * it necessarily applies to a much larger number of demands than is comprised in the term mutual debts. * * * One of the earliest questions which arose on the mutual credit clause was whether a debt payable in future could be set-off against a debt payable *in præsenti*. And this was decided in the affirmative on the ground that, though there might not be mutual debts actually payable between the parties, still there were mutual credits, and that the case came within the equities of the statutes."

Under section 20 of the act of 1867, the language of which is substantially the same to that of section 68 of the present act, such an offset as is here sought by the bank against an unmatured obligation was upheld (*Ex parte* Howard National Bank, 2 Lowell, 487; *In re* Petrie, 5 Ben. 110).

On the whole I conclude that the mutuality required by the Bankruptcy Act existed and that the offset was proper.

Objection is further made by the trustee, as to several of the notes, that they had not become due even at the time the proof of claim was made—June 11, 1903. This is true, but they had all become due before the proof was closed in this proceeding, and it appears from the record that these notes, like the others, had been duly protested for non-payment, with notice to the bankrupt. These notes, therefore, are substantially in the same situation as the others, and it follows that the same rule should apply to them.

All the notes we have seen fell due within one year from the date of the adjudication. It is not, therefore, necessary to decide and is not decided what would be the result were this not the case, as affected by section 57n of the Bankruptcy Act. There should, however, be a deduction from the claim as filed. Under section 63a there should be a deduction of interest on the several notes between the date of the filing of the petition and the ma-

turity of the notes respectively. This amounts to $110.76, and should be deducted from the amount of $9,080.03 set forth in the claimant's proof of claim. With this deduction the claim should be allowed.

An order may be submitted accordingly on notice or consent.

HOLT, *J.:* Referee's order affirmed.

NATIONAL BANK—BY-LAW FORBIDDING TRANSFER OF STOCK.

Supreme Court of the United States, April 4, 1904.

THIRD NATIONAL BANK, OF BUFFALO, vs. BUFFALO GERMAN INSURANCE COMPANY.

A provision in the organization certificate and by-laws of a National bank forbidding a transfer of stock where the stockholder is indebted to the bank, is in conflict with the provisions of the National Bank Act, and void.

A provision of this character in the certificate of stock does not affect the rights of a transferee, or operate as notice to him, since the provision is wholly void.

In error to the Court of Appeals of the State of New York to review a judgment affirming a judgment of the Appellate Division of the Supreme Court for the Fourth Department, which had affirmed a judgment of the trial court in favor of plaintiff, in a suit to compel a transfer of shares of stock by a National bank, and the payment of dividends which had accrued thereon since the date of the demand for such transfer.

The Third National Bank, of Buffalo, was organized on February 9, 1865, and its articles of association contained the following:

"That the board of directors shall have power to make all by-laws that may be proper and convenient for them to make under said act for the general regulation of the business of the association and the management and administration of its affairs, which by-laws may prohibit, if the directors shall so determine, the transfer of stock owned by any stockholder who may be liable to the association either as principal debtor or otherwise, without the consent of the board."

In virtue of the authority assumed to be conferred by the foregoing provision, the board of directors adopted in February, 1865, a by-law as follows:

"Transfers of Stock.—Sec. 15. The stock of this bank shall be assignable only on the books of this bank, subject to the restrictions and provisions of the act, and a transfer book shall be kept in which all assignments and transfers of stock shall be made. No transfers of the stock of this association shall be made, without the consent of the board of directors, by any stockholder who shall be liable to the association either as principal debtor or otherwise, which liability shall be a lien upon the said stock and all the profits thereof, and dividends and certificates of stock shall contain upon them notice of this provision."

Pursuant to this by-law the stock certificates of the bank were thus framed:

"This is to certify that ——— is the owner of ——— shares of $100 each of the capital stock of the Third National Bank of Buffalo, subject to the lien or liens referred to in section 15 of the by-laws of said bank, in the following words: 'No transfer of the stock of this association shall be made without the consent of the board of directors, by any stockholder who shall be liable to the association either as principal debtor or otherwise, which liability shall be a lien upon the said stock and all profits thereof and dividends.'

And the said stock is transferable only on the books of the bank by him or his attorney on the surrender and cancelation of this certificate and compliance with the said by-laws."

Emmanuel Levi became the registered holder and owner of 450 shares of the capital stock, evidenced by certificates in the form just stated. Levi borrowed money from the bank upon his promissory notes, secured by various collaterals. On October 1, 1890, he applied for a further loan, which the bank agreed to make, provided the new loan was indorsed by Louis Levi, a son of Emmanuel. At that time, in a conversation between the President of the bank and Levi, it was understood that all the stock held by Levi in the bank should be considered as additional security for his entire loan. When this conversation took place, however, the certificates evidencing Levi's stock were in his possession, and no formal pledge or subsequent delivery of the certificates of stock to the bank took place.

A few months after (on December 3, 1890), Emmanuel Levi borrowed $25,000 from the Buffalo German Insurance Company, hereafter spoken of as the insurance company, and secured this loan by pledging, delivering and assigning to the insurance company his certificates of stock in the bank. The written contract of pledge gave the insurance company power, in default of payment of the loan at its maturity, to sell the stock at public or private sale after notice and apply the proceeds to the debt. On August 13, 1891, and on May 5, 1892, Levi borrowed additional sums from the insurance company and secured these loans by a pledge and assignment of his remaining stock in the bank. These contracts of pledge also contained a power of sale similar to that conferred by the first contract. In June, 1893, Emmanuel Levi died, and Louis and Rosa Levi were appointed and qualified as the executors. On June 9, 1896, there was due to the insurance company on the notes of Levi, secured by the pledge of his stock as above stated, the sum of $55,000 of principal, with certain unpaid interest. On that date the insurance company served upon the executors of the estate of Levi a demand for the payment of the debt, accompanied with a notice that if payment were not made the stock would be sold and the proceeds applied to the debt. Payment not having been made, after adequate notice, the attorneys for the bank, the attorneys of the executors of Levi, and one of the executors being present, the stock was sold at public auction, and was bought by the insurance company for the sum of $44,000, that being the highest bid offered. The insurance company thereupon presented to the bank the certificates of stock, the assignment thereof, and the evidence of the purchase at auction, and demanded a transfer to its name. This the bank refused on the ground of Levi's indebtedness to it. Subsequently the insurance company filed its bill, praying that the bank be decreed to transfer the stock and pay the dividends which had accrued thereon since the date of the demand to transfer. The bank, by its answer, set up the debt due by Levi to it, asserting that under the provision of its articles of association and by-laws, as well as under the terms of the certificates of stock and the agreement with Levi, it had the right to apply the dividends on the stock, accrued since the purchase by the insurance company, to its debt, and, indeed, having a prior lien upon the stock for its debt, had the right to withhold the transfer of the stock until the debt due it by Levi or his estate was paid. There was a decree in the trial court in favor of the bank. The case was appealed by the insurance company to the appellate

division of the supreme court, fourth department, in which court the judgment of the trial court was affirmed. (29 App. Div. 137.) The insurance company prosecuted its appeal to the Court of Appeals of the State of New York, and in that court the judgments below were reversed and the case was remanded for further proceedings. (162 N. Y. 168.) The cause was again tried and resulted in a decree in favor of the insurance company in both the trial court and the appellate division of the supreme court, and these judgments were affirmed by the Court of Appeals on the authority of its previous opinion.

Mr. Justice WHITE. It is obvious that the bank had no lien on the stock of Levi as the result of an express contract of pledge. The mere statement by Levi in a conversation with the President of the bank when the last loan was made to him, that his stock was a security to the bank, did not amount to a pledge of such stock, as there was no delivery of the certificates. As tersely said by the court below:

"If we assume the existence of a contract between the defendant bank and Levi (and all we know of it is the testimony of the President of the defendant as to a conversation with Levi, in which he said the bank could consider the stock in his safe as collateral for his loans), it was executory in its nature as long as the stock remained in his possession and until it was in fact pledged to the bank by a delivery. Possession is of the essence of a pledge in order to raise a privilege against third persons. (Casey vs. Cavaroc, 96 U. S. 467; Wilson vs. Little, 2 N. Y. 443.)

We may, therefore, at once lay out of view the provisions of section 5201, Revised Statutes, prohibiting a National bank from making any loan or discount on the security of its shares of stock, and forbidding the purchase or holding by a National bank of such shares of stock, unless necessary to prevent loss on a debt previously contracted in good faith. And putting these provisions aside, we may also pass the consideration of the decisions of this court construing the provisions in question, and holding that they may not be availed of by a debtor of the bank to defeat the enforcement of obligations by him contracted in favor of the bank. (Union Nat. Bank vs. Matthews, 98 U. S. 621; National Bank vs. Whitney, 103 U. S. 99; Thompson vs. Saint Nicholas Nat. Bank, 146 U. S. 240.) This brings us to the real question in the case, which is, the validity and effect of the provisions of the charter and by-law of the bank forbidding a transfer of stock where the stockholder was indebted to the bank, and the insertion of a condition to the same effect in the certificates of stock which were held by Levi, and which he delivered to the insurance company, as collateral, when he borrowed money from that company. If those provisions were valid it is obvious that the insurance company took the stock subject to the paramount right which the bank possessed. If, on the other hand, the condition in question was void because repugnant to the text of the National Bank Law and in conflict with the public policy which that act embodies, it is equally clear that there was no lien in favor of the bank, and the title of the insurance company, derived from its pledge and purchase, was paramount to any assumed right of the bank to refuse to transfer the stock in order to enforce a lien which, it was asserted, the bank possessed as a result of the condition in question. That the provisions referred to were void, because coming within the last-mentioned category, will become apparent from a brief consideration of the National Bank Law

found in the Revised Statutes, as elucidated by its evolution from the acts of 1863 and 1864, and as expounded by the previous decisions of this court.

National banks were first created by the act of 1863. (12 Stat. at L. 665, chap. 58.) By section 36 of that act it was provided:

"That the capital stock of any association formed under this act shall be divided into shares of $100 each, and shall be assignable on the books of the association in such manner as its by-laws shall prescribe; but no shareholder in any association under this act shall have power to sell or transfer any share held in his own right so long as he shall be liable, either as principal debtor, surety, or otherwise, to the association for any debt which shall have become due and remain unpaid, nor in any case shall such shareholder be entitled to receive any dividend, interest, or profit on such shares so long as such liabilities shall continue, but all such dividends, interests and profits shall be retained by the association and applied to the discharge of such liabilities; and no stock shall be transferred without the consent of a majority of the directors while the holder thereof is thus indebted to the association."

Section 37 of the same act provided that—

"No banking association shall take, as security for any loan or discount, a lien upon any part of its capital stock, * * * and no such banking association shall be the purchaser or holder of any portion of its capital stock or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith on security which, at the time, was deemed adequate to insure the payment of such debt, independent of any lien upon such stock; or in case of forfeiture of stock for the nonpayment of instalments due thereon, and stock so purchased or acquired shall in no case be held by such association so purchasing for a longer period of time than six months, if the same can, within that time, be sold for what the stock cost."

The act of 1863 was expressly repealed (section 62) by the act of 1864 (13 Stat. at L. 99, chap. 106). The repealing act, however, contained the following:

"*Provided*, that such repeal shall not affect any appointments made, acts done, or proceedings had, or the organization, acts, or proceedings of any association organized or in process of organization under the act aforesaid."

The act of 1864, which contained a repealing clause subject to the foregoing proviso, re-enacted in completer form the entire law as to National banks. The subjects which had been embraced by section 36 of the act of 1863 were contained in section 12 of the act of 1864, in part, as follows:

"The capital stock of any association formed under this act shall be divided into shares of one hundred dollars each, and be deemed personal property, and transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association. * * *"

The remaining provisions of the section related solely to the double liability of the shareholders. It hence follows that all the provisions found in section 36 of the act of 1863, empowering the board of directors of a National bank to withhold a transfer in case of a debt due by a stockholder to a bank, were not only omitted from the new act, but were expressly repealed. The provision found in section 37 of the act of 1863, prohibiting an association from making any loan or discount on the security of the shares of its own capital stock, was re-expressed in a substantially identical, though somewhat

more amplified, form of statement in section 35 of the new act. The provisions of the act of 1864, in the particulars in question, are now embodied in sections 5139 and 5201 of the Revised Statutes (U. S. Comp. Stat. 1901, pp. 3461, 3494).

When this history of the legislation is considered it becomes apparent that the clause inserted in the articles of association, in the by-laws and the certificates of stock of the bank here being considered, was directly repugnant to the act of 1864, and amounted simply to an attempt on the part of the bank to exercise the power which was granted under the act of 1863, but which was denied by the act of 1864. And this result was long since pointed out by the decisions of this court. In First Nat. Bank vs. Lanier, 11 Wall. 369, the case was this: The First National Bank of South Bend was organized under the act of 1863. A by-law of the bank provided that "the stock of the bank should be assignable only on its books, subject to the provisions and restrictions of the act of Congress." Culver became a stockholder in the bank, certificates having been issued to him as such, stating on their face the limitations on the power to transfer expressed in the by-law just referred to. By an agreement between Culver and the bank it was understood that his stock in the bank should secure the bank against any loss resulting from a deposit of its funds made by the bank with the house of Culver, Penn & Co., of New York, of which Culver was a member. When, however, this agreement was made, the certificates of stock were not delivered to the bank, but remained in the possession of Culver. After the passage of the National Bank Act of 1864, Culver, in violation of his agreement with the bank, sold his stock and delivered the certificates thereof, with power to transfer the same, to Lanier and Handy, who requested a transfer of the same. This the bank refused to do on the ground of Culver's agreement, and on the further ground of the provision in the by-law and certificates, which, it was asserted, but expressed by reference the provisions of section 36 of the act of 1863. Two questions were necessary to be decided: *a*, the right of the bank resulting from the understanding with Culver; and *b*, its right arising from the terms of the by-law and certificate. These questions were ruled adversely to the bank. It was held that the agreement between the bank and Culver was void because it was within the prohibitions of both section 37 of the act of 1863 and section 35 of the act of 1864, prohibiting a National bank from loaning on the security of its own capital stock, etc. Irrespective, however, of this question, it was expressly decided that, as the act of 1864 had repealed the provision of the act of 1863, subjecting transfers of stock in National banks to debts due by the stockholder to the bank, or permitting the board of directors to provide to that effect, the result of the act of 1864 was impliedly to prohibit a bank from imposing such a condition on the transfer of stock. And the doctrine was applied to a by-law adopted prior to the passage of the act of 1864, because it was held that the continued operation of such a by-law was prevented by the act of 1864, as the right to continue it was not saved by the proviso to the repealing clause of that act. It was pointed out that the provision of the act of 1864, making the stock of National banks transferable like other personal property, was a fundamental departure from the act of 1863, and was based on a rule of public policy initiated by the act of 1864, intended to afford facilities for the transfer of stock in National banks, and thereby to encourage investment in such stock. The same subject was con-

sidered in Bullard vs. National Eagle Bank, 18 Wall. 589. There a by-law and form of certificate, adopted after the enactment of the statute of 1864, reserving the right to refuse to transfer stock in a National bank where the stockholder was indebted to the bank, was again determined to be *ultra vires*, because in conflict with the act of 1864, and such a provision was decided to be inoperative even as against the assignee in bankruptcy of the stockholder. These cases foreclose every question presented on this record. The cases have been frequently referred to approvingly. (Earle vs. Carson, 188 U. S. 42, and authorities there cited.) The contention that, although the condition in the certificate was void, nevertheless it operated as a notice to the insurance company, and thereby deprived it of its right to compel the transfer of the stock, but asserts in another form that there was power, by the insertion of such a condition in the certificate of stock, to deprive the stock of a National bank of its attribute of sale like any other personal property. The contention wholly ignores not only the text of the law, but the rule of public policy which the National bank act has been decided to embody.

Affirmed.

LIABILITIES OF DIRECTORS—STATUTE OF KANSAS.

Supreme Court of Kansas, May 7, 1904.

FORBES, *et al.* vs. MOHR.

A director of an insolvent bank is not excused from liability by pleading that the insolvent condition of the bank was caused by the false, fraudulent, and corrupt practices of the Cashier so adroitly concealed and covered up by him as that the insolvent condition could not have been discovered by an examination into the bank's affairs, where he (the director) has wholly failed to make any examination into those affairs.

It is made the duty of directors of banks to examine into the affairs of their banks with reasonable frequency and thoroughness for the purpose of thereby acquainting themselves with the affairs of such banks, and where they fail to do so they will be held liable to depositors, in case of the insolvency of the bank, for deposits made with their assent; and this even though by such examination the directors would not have discovered the insolvent condition of the bank.

This was an action by Peter Mohr against Benjamin N. Forbes and others, directors in the Wathena State Bank.

The action was based upon sections 65 and 66 of the banking law of Kansas, which are as follows:

"It shall be unlawful for any President, director, manager, Cashier or other officer of any banking institution to assent to the reception of deposits or the creation of debts by such banking institution, after he shall have had knowledge of the fact that it is insolvent or in failing circumstances; and it is hereby made the duty of every such officer, agent or manager of such banking institution to examine into the affairs of the same, and, if possible, know its condition. And upon failure of any such person to discharge such duty, he shall, for the purpose of this act, be held to have had knowledge of the insolvency of such bank, or that it was in failing circumstances. Every person violating the provisions of this section shall be individually responsible for such deposits so received, and all such debts so contracted.

In all suits brought for the recovery of the amount of any deposits received or debt so created, all officers, agents, or managers of any such banking institutions, charged with having so assented to the reception of any such

deposit, or the creation of such debt, may be joined as defendant, or proceeded against severally; and the fact that such banking institution was so insolvent or in failing circumstances at the time of the reception of the deposit charged to have been so received, or the creation of the debt charged to have been so created, shall be *prima facie* evidence of such knowledge and assent to such deposit or creation of such debt on the part of such officer, agent or manager so charged therewith."

CUNNINGHAM, *J.* (omitting part of the opinion): In the absence of a statute, the debt created by the deposit of money in a bank is only due from the corporation, and not from the directors. The mere non-feasance or misfeasance of directors in respect to their duties as such would not render them liable to a depositor. However, beyond question, this liability might be enlarged by statute, and considerations of sound public policy would probably require it to be so enlarged. To meet and properly effectuate these considerations, the quoted sections were passed by the Legislature, and their interpretation should be undertaken in a fair spirit of liberality to accomplish the purpose for which they were intended. The liability thereby created should be enforced as indicated by the ordinary interpretation of the language used, rather than by a forced or strained construction to relieve from such liability.

It was evidently the thought and purpose of the Legislature, to guard depositors from loss through the incompetency or criminality of officers of banks put in charge of the same by directors, by imposing upon such directors the burden of giving watchful care to the affairs of the bank. To add to the duty of the directors something more than care in the selection of President and Cashier, to wit, the duty of keeping watch of its conduct by making an examination into the affairs of the bank with reasonable frequency and throughness.

With these suggestions as to interpretation, let us look at the statute. The first clause of section 471 makes it unlawful for a director to assent to the reception of deposits by the bank after he shall have had knowledge that the bank is insolvent, or in failing circumstances. The second clause makes it the duty of such officer "to examine into the affairs of the same, and, if possible, know its condition." The third clause provides that, if such officer fails to discharge such duty, he shall, for the purposes of fixing his liability, be held to have had knowledge of the insolvency or the failing condition of the bank. The fourth clause holds such officer to individual responsibility if he fail in these respects. The pregnant portion of section 472 is that the fact that the bank was insolvent, or in failing circumstances, at the time of the reception of the deposit shall be *prima facie* evidence of the knowledge on the part of all these officers that it was in such a condition.

The contention of the plaintiffs in error, put into as narrow a compass as possible, is that the proper interpretation of these sections is that it is the duty of a bank director to examine into the affairs of the bank, and, if he fail to do so, he shall be held to have knowledge of the bank's insolvency, and consequently be liable to a depositor, if by such examination it would have been possible for him to have ascertained the condition of the bank.

We are unable to agree with them in this construction. It seems to us a strained and unnatural one, and insufficient to accomplish the evident purpose of the Legislature. By the second clause of section 471, as above stated, it

is made the positive duty of the officer to examine into the affairs of the bank. This duty stands out clearly by itself. It requires examination by the officer regardless of what that examination may show. It is to be such an examination in frequency, thoroughness, and accuracy as shall with reasonable certainty acquaint him with the condition of the bank. A director may not excuse himself from liability to a depositor by saying that "I was relying upon the honesty of the Cashier I had employed, and hence made no examination of the affairs of the bank," or that "it would have been useless for me to have made such examination, because the peculations of the Cashier were of such character, and carried on and concealed with so skillful a hand, that I, not being an expert, could not have discovered them by such examination."

The Legislature undoubtedly thought to lay upon those in active control of banks the restraining influence of reasonably frequent and thorough examination of their affairs. The qualifying phrase, "if possible," has application to the discovery of wrong conditions by reasonable examination, and does not serve to excuse the want of all examination by an incompetent director. In short, the requirement of the statute is that the examination must be made, and must be of such a character as would result in a knowledge of the condition of the bank if such knowledge could possibly, within the range of reasonable frequency and thoroughness, be obtained. We do not think that the plea of a director sought to be charged with liability under the quoted statutes, "that I made no examination, but, if I had, it would not have been possible for me to have ascertained the failing condition of the bank under my charge," is sufficient to excuse him from the liability imposed by law.

FAILURE TO PROPERLY PROTEST NOTE—AMOUNT OF DAMAGES.

New York Supreme Court, Appellate Division, First Department.

ROBERT S. HOWARD vs. BANK OF THE METROPOLIS.

In an action against a bank for damages for its failure properly to protest a promissory note left with it for collection, whereby the indorser was released from liability, *Held*, that, the maker having died shortly after the maturity of the note, the plaintiff was not obliged to prove the insolvency of the maker in order to establish a cause of action.

The cause of action was made out by proof of the failure of the bank to perform its duty, *i. e.*, to give notice of non-payment to the indorser.

The plaintiff being on or about January 14, 1898, the owner of a promissory note made by one Starbird and indorsed by Ira Van Gieson, due April 5, 1898, delivered it to the defendant, with whom he had an account, for collection. There were deposited with this note certain certificates of stock which were held as collateral and which the plaintiff directed the defendant to return to the maker upon payment of the note. When the plaintiff delivered this note to the collection clerk of the defendant he handed to him a card having upon it "Dr. Ira Van Gieson, No. 1 Madison avenue, city," stating that he wanted the note protested carefully, as he expected to hold the indorser for its payment, not considering the maker of the note responsible; that he was going to California and would not be in the city at the time the note was due; that the address appearing on this card was that of the indorser of the note. The defendant accepted this note for collection with this information, and the plaintiff left New York, not returning until about April 18.

On April 5, when the note became due, it was presented to the maker for payment, and payment was refused, whereupon it was sent to the notary of the bank for protest. The bank, however, failed to deliver to the notary the card with the name and address of the indorser and gave him no instruction as to the service of the notice of protest. The notary protested the note, made out the certificate of protest, which he signed and sent with the note to the bank by his clerk, who inquired of the collection clerk to whom the plaintiff had delivered the note, whether he knew the address of the indorser. The notary or his clerk misread the indorser's name as "Waran Gieson," instead of his correct name, "Ira Van Gieson," and the collection clerk of his bank said that he did not know the address of the indorser, whereupon the notary's clerk made out the notice of protest, one directed to R. S. Howard (the plaintiff) and the other to "Waran Gieson," the indorser. Both of these notices were put in an envelope and addressed to R. S. Howard, No. 110 Fifth avenue. Neither of these notices were ever received by the plaintiff, as he was at that time absent from New York.

In the early part of June, 1898, the maker of the note died, and the plaintiff commenced an action against the indorser. That action was defended upon the ground that notice of non-payment of the note had not been given to the indorser, and resulted in a judgment in favor of the indorser upon that ground. Whereupon the plaintiff brought this action against the bank to recover the damages that he sustained in consequence of the failure of the bank to give the indorser the proper notice of protest.

INGRAHAM, *J.* (omitting part of the opinion): It seems to have been held by the court below that to establish a cause of action the plaintiff must prove the insolvency of the maker of the note. This, I think, was error. The cause of action was established by the failure of the defendant to perform the duty that it assumed when it undertook to collect the note, that is, of giving notice of the non-payment to the indorser.

In First Nat. Bank vs. Fourth Nat. Bank (77 N. Y. 320) it is said: "It is the duty of an agent who receives negotiable paper for collection, in case such paper is not paid, so to act as to secure and preserve the liability thereon of all the parties prior to his principal; and if he fails in this duty, and thereby causes loss to his principal, he becomes liable for such loss." And the court quotes from 1 Daniel on Negotiable Instruments (sec. 329): "The measure of damages which the holder is entitled to recover of the bank, or or other collecting agent, who has been guilty of negligence or default in respect to it, is the actual loss which has been suffered. The loss is *prima facie* the amount of the bill or note placed in its or his hands; but evidence is admissible to reduce it to a nominal sum;" and also from the opinion of the chancellor in the case of Allen vs. Suydam (20 Wend. 321) as follows: "Where there is a reasonable probability that the bill would have been accepted and paid if the agent had done his duty, or where, by the negligence of the agent, the liability of a drawer or indorser, who was apparently able to pay the bill, has been discharged, so that the owner of the bill can not legally recover against such drawer or indorser, I admit the agent, by whose negligence the loss has occurred, is *prima facie* liable for the whole amount thereof, with interest as damages, unless he is able to satisfy the court and jury that the whole amount of the bill has not been actually lost to the owner in consequence of such negligence." And the court then proceeds:

"In all these cases the negligence of the agent being established, it is a question of damages, and the agent may show, notwithstanding his fault, that his principal has suffered no damages; and the recovery can then be for nominal damages only. He may show in reduction of the damages that if he had used the greatest diligence the bill would not have been accepted or paid, or that his principal holds collaterals, or has an effectual remedy against the prior parties to the bill."

There was evidence here from which the jury could find that the plaintiff was unable to collect his note from the maker, and that the defendant was liable for the amount of the note which he had been unable to collect from the indorser because of the negligence of the defendant.

It follows that the judgment appealed from should be reversed and a new trial ordered, with costs to the appellant to abide the event.

All concur.

OVERDRAFT—NOTE GIVEN TO SECURE—EXAMINATION OF PASSBOOK—ACTS OF DEPOSITORS' AGENT.

United States Circuit Court of Appeals, May 4, 1904.

HENNESSY BROS. & EVANS CO. vs. MEMPHIS NATIONAL BANK.

An overdraft allowed by a bank is a loan due on demand, and may be sued for as such; and where a note payable on demand is given to secure such overdraft, an action will lie on the note to the same extent as if brought on the overdraft itself.

An overdraft running without any agreement for interest, or without any adjustment, does not draw interest; but where payment has been demanded, or an account therefor has been rendered, it will carry interest.

An officer of a corporation having charge of its bank account overdrew such account, and executed notes in the name of the corporation therefor, which notes were credited in the bankbook of the corporation, and the bankbook delivered to such officer. The accounts were examined periodically by the corporation, but no objection was made thereto. The officer subsequently became a defaulter to the corporation in a large sum. *Held*, that the corporation was liable on the notes, though no express authority of such officer to execute the same was shown.

In error to the Circuit Court of the United States for the Western District of Tennessee.

Before Lurton, Severens, and Richards, Circuit Judges.

SEVERENS, *Circuit Judge:* There are counterwrits of error in this case, on which each party prays for the reversal of judgment rendered by the court below, and there are bills of exceptions taken by each. But the errors complained of on each side relate to one controversy, and may be considered together.

Hennessy Bros. & Evans Company, a building corporation organized under the laws of Illinois, and located at Chicago, entered into large contracts during the year 1900 for building in the city of Memphis, Tenn., involving the employment of several hundred thousand dollars, and sent its assistant secretary, John D. Evans, who had executed the contracts in its behalf, to Memphis, to superintend its business there. On account, as we must suppose, of the frequently recurring financial necessities of his company at Memphis, Evans, in its behalf, and with its knowledge and assent, opened an account with the Memphis National Bank in November of that year. On December 26, 1900, the account of the company was overdrawn, and, to cover the overdraft, he gave to the bank a note, payable on demand,

for $4,500, and signed in the company's name "by John D. Evans Asst. Secy.," the entire amount of which was placed by the bank to the credit of the company in its account. In April, 1901, the account being again overdrawn, Evans gave the bank another note payable in thirty days, for $2,000, signed in the same way, and the proceeds were put to the credit of the company in its account. This last note was renewed three times; the last renewal having been made July 17, 1901, by a note for the same amount payable on demand. The company had a passbook in which the account was frequently balanced by the bank and returned to the company. The entries in the passbook showed the credits of the $4,500 and of the proceeds of the $2,000 note as of the dates when the notes were given. This account, consisting of debits and credits, continued from November, 1900, to September, 1901, at about which time John D. Evans disappeared; being, as was alleged by the company, a defaulter to it for a considerable sum which it was claimed was obtained by him by checks on the company's account with the bank, which was thereby overdrawn. Later other officers of the company settled with the bank for the overdraft then appearing, but refused to acknowledge or pay the notes of $4,500 and $2,000, respectively, upon the ground that they had been given by Evans without authority. It appeared upon the trial that from time to time the president and secretary of the company, who had general charge of its finances, went from Chicago to the Memphis office, and "checked up" Evans' financial transactions, including those with the bank. But the company gave evidence tending to show that the passbook above mentioned was not produced to them, and that it was not seen by them until after the disappearance of Evans. But they knew that Evans had it in his possession. They also knew that, during the running of the account, overdrafts had occurred at several times, and they made no objection to the making of such overdrafts. Some other facts appear in the course of this opinion, but it is believed that those most material have now been stated.

The bank brings this suit to recover the amount of the two notes above mentioned, and adds the common counts, on which it claims that, if it cannot recover upon the notes themselves, it may be allowed to recover the amounts which they represent as having passed to the credit of the company, of which it had the avails, as money had and received. As to the notes, the company pleaded that they were never authorized, and, as to the other counts, it pleaded the general issue. Upon the trial, the making of the notes having been proved in the circumstances already stated, the defendant called as witnesses the president and other officers of the company, who gave general evidence denying that Evans was authorized to sign the notes for the company, and denying that the company ever had knowledge of the making and using said notes until after the disappearance of Evans, and that it had never ratified them. Assuming that an issue was thus established upon the evidence, the court permitted the parties to go into evidence in respect to the question as to whether the defendant had received benefit from the overdrafts which the notes represented, and, if so, how much. A prolonged inquiry was entered upon for the purpose of ascertaining what debts of the company had been paid by checks made by Evans on the bank, a considerable number of which were traced to the company's creditors. At the close of the testimony the plaintiff asked for an instruction that a ver-

dict should be rendered for the plaintiff for the amount of the notes, with interest. This request was refused, and the plaintiff excepted. The court, in its instruction to the jury, left open for their determination the question whether the giving of the notes by Evans was authorized or not, and, if not, then the question to what extent the defendant had been benefited by the credit given on account of them, in determining which the defendant could only be charged with what it actually got, and not with that which Evans appropriated to his own use. The jury rendered a verdict for the plaintiff for $6,008.00. Several rulings were made by the court in taking evidence and in its charge to the jury, which are complained of by the defendant, and are made grounds for its assignments of error on its writ.

In view of those facts about which there was no conflict in the testimony, we think the plaintiff was entitled to the instruction which it asked. There was no legal ground on which the contention that the notes in suit were not obligatory upon the defendant, or, what amounts to the same thing, that it was not bound for the credit which it got on the occasions when they were given, could rest. An overdraft allowed is a loan due on demand, and may be sued for as such (Thomas vs. International Bank, 46 Ill. App. 461; Franklin Bank vs. Byram, 39 Me. 489).

Of precisely the same character is the obligation of a note given, payable on demand, to cover it, to the extent that the overdraft is thereby segregated from the account. With respect to the note for $2,000, it appears that a part of that amount was to pay an overdraft, and the balance to provide funds to check against. These funds were checked against and withdrawn by the man in charge of the account, and apparently, so far as the bank could see or know, for the company's business. The notes served every purpose which would have been subserved if the company had made equivalent deposits on those dates. The bank required the overdrafts to be paid, and, instead of cash, it took those notes. The authority which the company intrusted to Evans, or the exercise of which it repeatedly sanctioned, was sufficiently extensive to cover his dealings with the bank, including the giving of the notes. We are inclined to think that his general authority, coupled with that which was given him to open an account and transact the business of his company with the bank, was sufficient to justify his covering of the overdrafts which he had made in the company's behalf, all of which the company had the benefit. If he had made the company's note, and negotiated it with the bank, professedly for the company's business, and secured a loan of money thereon, which he used in the company's business, could it be doubted that the company would be bound by his act? We think not. If his use of the proceeds was that of paying an overdraft owing by the company, would not that be devoting it to the company's business? But there could be no distinction between such a transaction as that which occurred and that supposed, except in mere form, on which the law would lay no stress. But it was indisputably proved that the company knew that overdrafts were occurring. It took no precautions to prevent them, or to provide for their settlement. It must have known that they had been provided for in some way, and must be if they occurred again. The only reasonable inference is that it was intended by the company to leave the duty of attending to such contingencies to their superintendent, who was in charge of the account.

There is another feature of the case, however. The company kept a passbook, which was periodically balanced by the bank and returned to the company; that is, it was returned to its superintendent, who had his office there, and was the person who conducted the business to which the book had relation. The credits obtained by the notes were shown by the book. If the company had any reason to suppose that those credits were obtained for its own remittances to Evans, an examination of its own books when it was "checking up" Evans would have immediately disclosed that it had not made such remittances. And it may be remarked in this connection that it is not now contended that such remittances were made, or that there were any remittances of which these could have been parcels. A comparison of the books of the company with those of the agent would detect such a fact if it existed. But it is urged that Evans was a rogue, and was contriving in his own interest to put some of the money he should get from the bank on the credit of his company to his own uses, and that therefore the information given by the passbook should not be imputed to his principal. The rule of law thus invoked is not applicable. It is applicable when the agent leaves his place as agent, and, in derogation of the rights of his principal, concocts and carries into effect some scheme of his own for his private advantage, and where the other party knows or has good reason to believe that the agent is acting falsely. But there is no reason here for charging the bank with notice of any wrongful purpose of the company's agent. It returned the balanced passbook to the person put in place by the company to receive and examine it, and take steps to correct anything objectionable which the book indicated. The bank had the right to expect that the company would do its duty in this regard, and the company is affected by notice of the contents of the passbook to the same extent as if the agent had been an honest one. It was so held by this court in First National Bank of Evansville vs. Fourth National Bank of Louisville, 16 U. S. App. 1, 56 Fed. 967, 6 C. C. A., 183 (and see Leather Manufacturers' Bank vs. Morgan, 117 U. S. 96; First National Bank vs. Allen, 100 Ala. 482).

This contention of the defendant runs counter, as, indeed, does its entire defense, to the settled rule that, when one of two persons is to suffer by the act of an agent intrusted by his principal with the appearance of authority to do the act, that one shall take the burden whose agent committed the wrong. We think this is a plain case for the application of that doctrine. It seems to fit the undoubted facts, and we can see no valid reason why the consequences of the dishonest conduct of the agent toward his principal should be shifted from the company to the bank, which appears to have acted in good faith. If the controlling facts of the case were in doubt or open to fair dispute, the case should have gone to the jury under a proper submission of the issues by the court. But they were not, and the case should be dealt with accordingly, as was done in Myers vs. Bank, 193 Pa. 1. It is true that there is a sweeping denial of the authority of Evans, but that amounts to nothing in the face of the actual facts.

With respect to the matter of interest, an overdraft running without any interest or adjustment does not draw interest, upon the principle that applies to open accounts generally. But it is held that when it has been demanded, or an account therefor has been rendered, it would carry interest. (Casey vs. Carver, 42 Ill. 225.)

As there must be a new trial, and the questions raised upon the other writ are not likely to be presented in the same way, we forbear to consider them.

The judgment will be reversed on the writ of error taken by the Memphis National Bank, with costs.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B., Barrister, Toronto.]

FRAUDULENT CONVEYANCE—DEBTOR AND CREDITOR—STATUTE 13 ELIZABETH, CHAPTER 5—INTERIM INJUNCTION—DEPOSIT IN GOVERNMENT SAVINGS BANK—INJUNCTION TO PREVENT WITHDRAWAL AT INSTANCE OF JUDGMENT CREDITOR.

WHITE vs. HAMM (New Brunswick Equity Reports).

The facts of this case appear sufficiently from the judgment.

JUDGMENT (BARKER, *J.*): On February 19 last I granted an interim injunction restraining the defendants from transferring a farm and land, formerly owned by the defendant Solomon D. Hamm, situate in Queen's county, and restraining the defendant Rebecca J. Hamm, wife of Solomon D. Hamm, from withdrawing from the Government Savings Bank at St. John some money deposited there in her name, and from transferring two promissory notes, one for $100 and one for $150, given to her by the defendant Wilson. That order I extended until March 15, and on that day the plaintiff, in pursuance of notice to that effect, made this application to continue the injunction until the hearing. The defendant Solomon D. Hamm is a policeman, and in September, 1900, the plaintiff, who was then a young man under age, brought an action against Hamm for false imprisonment, arising out of an arrest of the plaintiff on a charge of larceny. The action was tried in March, 1902, when a verdict was given for Hamm. A new trial was ordered on August 8, 1902. The cause was tried a second time in January, 1903, when a verdict was given in favor of the plaintiff for $500. This also was set aside and the cause was tried a third time, in June, 1903, when the plaintiff again got a verdict for $500, upon which judgment was signed August 15, 1903. A *fi fa* was issued to the Sheriff of St. John August 19, 1903, which was returned *nulla bona* on November 17, 1903. On August 11, 1902—that is three days after the verdict obtained by Hamm had been set aside—he executed a conveyance of the farm in question to the defendant Black, who on the same day conveyed it to Hamm's wife—the defendant Rebecca J. Hamm. These two conveyances are for an expressed consideration of $300, and they were both registered on August 19, 1902.

On March 31, 1903, the defendant Rebecca J. Hamm, by a conveyance to which her husband is not a party, transferred this farm to the defendant Wilson, for the expressed consideration of $300, $50 of which was paid in cash, and the two notes already mentioned were given for the balance.

This suit is brought to set aside the conveyance as being fraudulent under the Statute of Elizabeth. The bill alleges that the first two conveyances were made without consideration, and with intent to defeat and hinder the plaintiff as a creditor of Hamm, and that the conveyance to Wilson was made without consideration, and for the same purpose and with full notice of the

fraudulent character of the two previous conveyances. The bill prays that the conveyances should be set aside, and as an alternative relief, in case the deed to Wilson should be held good, that the two notes given as part of the purchase money to Mrs. Hamm should be declared to be the property of her husband, the judgment debtor. The money in the Savings bank—some $50—does not seem to have any connection with the property, or to have grown out of the transaction in any way, but the plaintiff claims it in some way as being in fact the money of Hamm, and which should be made available towards payment of his judgment. The plaintiff had Hamm up before His Honor Judge Forbes for examination by way of disclosure, and in that way had the fullest opportunity of examining all the parties to the transaction, so that for the purpose of this interlocutory motion he has had the advantage—and a very great advantage it is in a case of this nature—of having the oral evidence of all the parties interested to base it upon instead of affidavits. The evidence of the fraudulent intent cannot be said to be strong. This is not the usual case of a trader in embarrassed circumstances. As a policeman Hamm was earning some $9.45 a week, and so far as the evidence goes, when he made the transfer in question he did not owe a penny, and the $50 was in the Savings bank. The ultimate result of the litigation then pending was of course doubtful, but the first trial had resulted in his favor.

As I understand the case of Freeman vs. Pope (1), and the construction and effect of the Statute of Elizabeth as there determined, a jury is bound to infer the fraudulent intent where the necessary result of the conveyance is to defer or defeat creditors, the debtor in such case being credited with the intention of doing that which is the necessary result of his own voluntary act. The court was there dealing with the case of an ordinary debtor pressed by creditors, a very different case from the present, where there were no creditors, no debts present or prospective, and only the possibility of damages being recovered in the litigation then pending—a "speculative liability," as it has been called. This distinction is illustrated by the case of *ex parte* Mercer (2).

It cannot be said that the necessary result of a conveyance made under such circumstances is to defeat or delay creditors, and the question in such a case must be whether or not it was made with that intention. Though the evidence of such an intent may seem weak, I cannot say that there are not facts and circumstances from which it might reasonably be inferred that in conveying the property to his wife Hamm had the intention and object in view with which the plaintiff charges him in the bill. That being so it is a question to be disposed of at the hearing.

The next question is as to the effect of the conveyance from Mrs. Hamm to Wilson. To the extent that she acquired the property in question by virtue of the conveyances from Hamm to Black, and from Black to her, Black having been simply the medium by which the transfer to the wife was made, she acquired it from her husband during coverture, and in the event of their being married previous to January 1, 1896 (of which there is no evidence one way or the other), such property is specifically exempted from the operation of the Married Women's Property Act by section 4, and would not, therefore, be subject to any power of disposal conferred by that act upon married women. That was the only point involved in the cross appeal in DeBury vs. DeBury (1).

Assuming, however, as it seems to have been assumed, that Mrs. Hamm

had power to convey the legal and beneficial title to the property, the question of the *bona fides* of the transaction is raised by this bill. For, if Mrs. Hamm and Wilson entered into a *bona fide* contract, the property could not be made available to the plaintiff, and this bill could not be maintained, for this suit is only in aid of the legal right of enforcing payment of the judgment by means of a seizure under the execution, which, in that case, would not reach the property at all. (See Neate vs. Duke of Marlborough, 2; Smith vs. Hurst, 3).

The plaintiff seeks to avoid that result by charging and attempting to prove that Wilson, when he took the conveyance, had full knowledge of the fraudulent character of the previous conveyances, and that he was in fact a party to the whole scheme. There is not much evidence to support this view, but if the sale to Wilson was a real one, as I have mentioned, is the question of notice important?

In Whelpley vs. Riley (4) the late Chief Justice Parker told the jury "that the circumstance of Hall's (the debtor) selling the hay in order to prevent its being taken in execution on the expected judgments in the suits then pending (no judgments or executions being then in existence) although he intended to run away from the Province, would not constitute such fraud as to deprive him of the power to sell and thus make void the sale; nor would the knowledge of those facts by the plaintiff prevent his becoming the purchaser, and thereby obtaining the property in the hay for a full valuable consideration, although it might cast suspicion on the whole transaction and call for a careful inquiry into the reality of the bargain and sale. The property was not bound until the execution was delivered to be executed, and therefore Hall, though in debt, and even insolvent, might lawfully dispose of it for a valid consideration." This charge was sustained on the authority of Wood vs. Dixie (1).

In Dalglish vs. McCarthy (2) the bill was filed to set aside three conveyances as fraudulent and void under the Statute of Elizabeth. The first conveyance was made by McCarthy, the debtor, to Bratton; the second by Bratton to John Cook; and the third by John Cook to George Cook. Strong, *V. C.*, before whom the suit was heard, found as a fact that the first conveyance was made without consideration, and that it was fraudulent and void; that the second was made with intent to defeat creditors, but that the sale was *bona fide* and intended to pass the property, and that full consideration actually passed, and that it was really a sale, though made to defeat creditors; that the third deed was also fraudulent and void and without consideration. It was held on the authority of Wood vs. Dixie that the intermediate sale from Bratton to Cook was good and the conveyance valid. The bill was therefore dismissed with costs.

There are distinct authorities for holding that the plaintiff cannot succeed in this suit, provided the conveyance from Mrs. Hamm to Wilson was made *bona fide*, and in order to carry out an actual contract of sale between them, even though it was made to defeat the plaintiff, and with the knowledge that the earlier deed had been for a purpose fraudulent under the statute. The substantial question then is, was this deed from Mrs. Hamm to Wilson made *bona fide* in the sense I have mentioned? The evidence upon which the plaintiff impeaches the validity of this deed is weak—weaker perhaps than that upon which the previous conveyances have been attacked. In both

cases there is the same question of fact which it is not necessary for this present motion to determine. I think that as to the farm I ought to continue the injunction until the hearing, and keep the property in the position they have themselves placed it. This cannot inconvenience Hamm or his wife, for they have parted with the property, and it cannot injure Wilson, as he bought the farm for farming purposes and not for sale.

It was urged as an answer to this application that in applying for the interim order the plaintiff had suppressed material facts by omitting certain parts of the evidence given by Mrs. Hamm and Wilson on the disclosure inquiry, which was calculated to qualify those portions which were produced. The rule requiring the utmost good faith in litigants coming to this court for *ex parte* injunctions is one that should not be relaxed. There is, however, some distinction between an application like this to continue an interim order on notice and a motion to dissolve an *ex parte* order (Fuller vs. Taylor, 1). The omitted portions did not seem very important; they seemed, if they had any material bearing, to refer to the question of notice or knowledge of Wilson as to the object of the first conveyance, a question which does not seem important.

As to the money on deposit in the Savings bank in Mrs. Hamm's name I see no reason for saying that it belongs to Hamm, but if it was his I do not see how it can be reached by execution. I could only restrain her from drawing it on the ground that eventually it could be made available in payment of the plaintiff's judgment, but I know of no instance where, in a proceeding like this, this court has ordered a debtor of the judgment debtor to pay his debt to the judgment creditor. Garnishee acts furnish some such remedy, but the aid of this court is not required. Even in such cases there seem numerous difficulties, in the absence of special legislation, where the Crown is the debtor, as in the case with money in the Savings bank. (See Crispin vs. Cumano, 1; Willcock vs. Terrell, 2).

As to the notes the evidence shows that they were not in Mrs. Hamm's possession, though apparently under her control. If the plaintiff is in a position to seize them under the execution, he can do so without the aid of the court, and he can do it now as well as later on. They, however, represent a part of the purchase money of Wilson for the land, and it would seem as though the plaintiff was not entitled to both.

There will be an order restraining any transfers of the land.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents - to be promptly sent by mail.

Editor Bankers' Magazine: GROTON, N. Y., July 27, 1904.

SIR: Will you kindly advise me through the columns of THE BANKERS' MAGAZINE whether the following waiver and guarantee would hold the signer on notes, which he is on at present as endorser and on renewals of the same notes, and on other notes which he may in future endorse with the same or other parties, and which come into the possession of our bank, viz.:

" For value received, I hereby waive protest, notice of protest and demand, and guarantee the payment at maturity and at all times thereafter, to the First National Bank of

Groton, N. Y., of all notes, securities and obligations of which I am or may hereafter become guarantor or endorser, in which said bank is or may become interested financially."

W. B. GALE, *Cashier*.

Answer.—We see no reason why a paper in the form given should not be sufficient as a waiver of demand and notice of dishonor. But as a guaranty it might not be sufficient in some cases. However, we see no necessity for such a guaranty ; for, if the person is a guarantor, he is bound by his contract on the paper, and no further obligation is required; and if he is an indorser, his liability is sufficient without adding the obligations of a guarantor.

Editor Bankers' Magazine: LA CROSSE, Wis., July 26, 1904.

SIR: Will you kindly furnish us with replies to the following queries? A Chicago bank sends us for returns check on another bank in this city, payable to John Smith, endorsed "John Smith, per S." Upon check we stamped "Paid." Does not thus stamping it constitute a guarantee of the endorsement? Our correspondent's endorsement contains no specific guarantee or collection clause. Is not the ordinary endorsement sufficient to constitute a guarantee of the endorsement mentioned? Would it make any difference as to guarantee whether check was sent for returns or for credit, in the latter case being our own property when presented for payment? If stamping "paid" does not operate as a guarantee, could not paying bank recover of us for money paid in error if endorsement was later found fraudulent? CASHIER.

Answer.—Under a rule of some of the clearing-house associations, a stamp of this character operates as a guaranty that the instrument is genuine in all respects, including the endorsements thereon. But such a stamp has no such effect under the law merchant. However, as our correspondent suggests, if an endorsement should prove to be a forgery, the drawee bank could ordinarily recover the money as money paid under a mistake of fact. (Bank of Commerce *vs.* Union Bank, 3 N. Y. 230.) For a further discussion of this subject, see BANKERS' MAGAZINE for July, 1904, p. 38.

Editor Bankers' Magazine: BELMAR, July 26, 1904.

SIR: I wish to know which is the legal indorsement, "For deposit in the First National Bank," or "Pay to the order of the First National Bank." We used to use the former, but for three or four years the latter seems to be used. W. A. BERRY, *Cashier*.

Answer.—An indorsement in the form "For deposit in the First National Bank" was formerly in common use, and was accepted by all banks as sufficient. But after the decision in the case of National Park Bank vs. Seaboard National Bank (114 N. Y. 28), banks generally required their customers to use the form "Pay to the order of the First National Bank." The reason for this change was that an indorsement in the form first given, being restrictive, the bank presenting the paper for payment would be regarded, not as owner, but as a mere agent for the owner; and as this would often work great hardship to the paying bank, the banks of New York city, by agreement among themselves, adopted a rule requiring an indorsement in the second form; and this practice has now become general throughout the country.

CHECK FILES AND LETTER FILES FOR THE BANKER'S USE.

The purpose of this article is not to advertise the makers of check and letter files, but to set before bankers the various methods used for filing checks and letters, so that if they are in need of some such device they can consider the merits of these and know where to get them. The article is prepared wholly in the interest of the bankers, with an endeavor to show no partiality toward any manufacturer of files, but presenting all without bias.

Every bank must have some method of caring for the checks it has paid and is holding until the account is settled and checks returned to the maker. Some may use the leather or heavy paper pockets or wallets, others may simply put a rubber band around them and toss them in a drawer without much care or system, while others may have some of the early makes of cumbersome check drawers.

Even though these paid checks are cancelled they represent so much money, or so many debits against the various accounts and are therefore valuable while they are in the bank's possession. If they are lost after being paid and before being returned to the maker, the bank will have to stand the loss and reduce its undivided profits so much. Makers of files have recognized this and have in act agreed that the best thing for the purpose is a drawer, so they have sought to produce drawers for this purpose that would properly care for the checks, notes, etc., placed in them, but have so arranged them that they can be easily handled and the checks readily sorted into the proper section. These are all made large enough to hold the deposit slips as well as the checks, so that each section can have all the debits and credits that belong to that account.

These drawers will be found convenient and useful in all banks whether they have adopted the new method of using the statement sheets for the settlement of the accounts, or the pass book credits with the debits listed on the adding-machine slips, or the credits and debits both entered in the pass book.

Check-File Drawers.

The Fred Macey Co., of Grand Rapids, Mich., have in their sectional office furniture a four-drawer and an eight-drawer section, size of each drawer, outside measurement 10⅛ inches wide, 5 inches high and 16 inches long, and will hold checks 9⅛ inches long by 3⅞ inches wide without folding them. They say, "these drawers are exceptionally well made of hard wood and dovetailed joints. Recesses in the bottoms for filing rods prevent their interference with the filing contents. The filing rods hold the guide cards securely in place. Each drawer is also furnished with the follower-block for holding the contents upright when the drawer is but partially filled. The guide cards are arranged to have the name of the depositor printed or stamped on them, having a guide card for each depositor, or alphabetical guide cards with blank cards to subdivide between the different parties' checks "

The Vetter Desk Works, of Rochester, N. Y., make a section with four drawers. The plan of the drawer is similar to the Macey drawer. The inside dimensions of each drawer are 4½ inches high, 8¾ inches wide and 13¾ inches deep. They furnish alphabetical, blank, monthly, daily and special check file guides for the names of the depositors. The monthly and daily guides are to be used when the drawers are used for filing notes, acceptances, etc., coming due at future dates.

The Yawman & Erbe Mfg. Co., of Rochester, N. Y., show two sections with check-file drawers; one is a six-drawer horizontal section and the other is a six drawer upright section. Each drawer is 9⅜ inches wide, 4¼ inches high and 14¾ inches long. The general plan of the drawer is the same as that described above, with the guides, center counter-sunk rod to hold cards in place.

The Globe-Wernicke Co., of Cincinnati, Ohio have a drawer designed to hold forty partitions, held in place by a rod running through the recessed bottom of the drawer. These guides have a place on the top for the name of the depositor or the alphabetic subdivision. These cabinets are made with 2, 3, 4, 6, 8, 12 and 16 drawers. Size of drawer is made to accommodate checks as large as 9¼ by 3⅞ inches.

The Brooks Check File is manufactured by the Office, Bank and Library Co., of New York. Size of drawer 4½ inches high, ten inches wide, twenty inches deep. Made with single drawer up to cabinet with thirty-two drawers. They claim this to be the latest and best check file on the market. Here is the basis of their claim:

CHECK-FILE DRAWER WITH GUIDES.

STEEL CHECK-FILE CABINET WITH TABLE TOP. (Same style made in wood.)

It has decided and peculiar features of merit. The compressor is in one piece, is positive in its action, is easily removed from the file and cannot get out of order. The index sheets, which are so arranged as to facilitate sorting of checks, are made of one piece, and being perfectly flat, occupy the least possible space. Fifty index sheets are furnished with each file. Their peculiar form keeps them upright even when the compressor is released, and they can be removed and replaced without disturbing the other contents of the file. The whole file is light, strong and compact.

The above mentioned drawers and sections are made of wood, different kinds to match office furniture. But there is a departure made by some from the wooden cabinets, and they are turning to those made of steel. The claim for the steel cabinets and sections is that they are safer because they will not burn, are more easily worked because being steel they are not subject to weather conditions—the wet weather will not make them swell so that they work hard and the dry weather will not make them dry out and warp. They are always the same. But it is because of their fire proof feature that some prefer them. This article would not be complete if it did not mention the steel files.

Another builder of steel office furniture is the Art Metal Construction Co., of Jamestown, N. Y. They are making a special effort to introduce their check files into more banking houses. They say their check file "embodies the results of fifteen years' experience and study, and is durable and practical." For additional

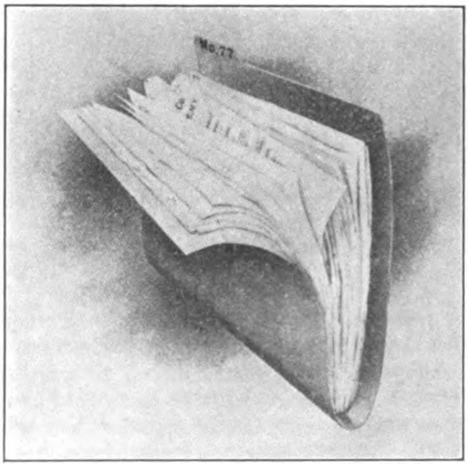
protection the drawer is made with a double steel head. A groove is in the bottom of the drawer to receive the feet of the partitions which are there held in place by a rod. In general the arrangement is similar to the drawers made of wood. These are built in two, four and six-drawer cabinets, or with any number of drawers to suit the needs of the bank. They are also incorporated into omnibuses that can be wheeled into the vault at night and out again in the morning.

The Berger Mfg. Co., of Canton, O., makers of steel sectional furniture for business purposes, have one section with eight check-file drawers, and another with four drawers and four document files. The inside of these drawers are 9¾ inches wide, 4½ inches high and thirteen inches deep, and have "an approved steel following board." These sections are finished in maroon or olive green color, neatly striped.

Letter Files.

The proper care of letters has been studied very carefully with the result that different methods have been brought forward. I will deal with the two methods that are generally recognized as the best.

Some bankers do not seem to see any use in keeping letters that are sent to them, for when they make remittances they deduct the amount of exchange, enclose their draft with the letter that was sent to them, instead of keeping the letter and using their own letter sheet when remitting. The same is done when returning items. This is not at all general—it is rather the exception. Of course letters accumulate very quickly, and those who send the letters back save their own stationery and prevent the accumulation of the letters, but it is not a very safe way. Circumstances sometimes arise when it might be worth some dollars to have the letter to prove a point in question. I have known of such circumstances. But to keep your letters properly you should have some definite system. To have the old wire or iron file to stick them on is one system, but not the best. To have a case with pigeon-holes for the letters is another way, but neither is this the best.



Vertical Folder.

I remember seeing the letter files in one bank evidently designed by the bank itself. It consisted of a series of closets with movable shelves and sliding doors. The space allowed for the letters from each bank correspondent depended upon the volume of the correspondence, so that some had very small space between the shelves, while others had considerable space. The plan struck me favorably at first sight, but its disadvantages soon suggested themselves.

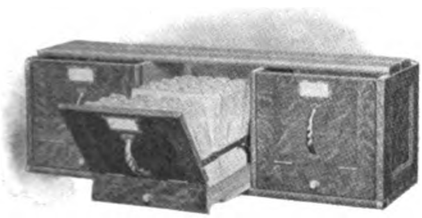
The two best systems in use now are the vertical and the flat letter files, and of these two the vertical is rapidly taking first place, although some think there is nothing better than a good flat filing system.

The Vertical Filing System.

This consists of drawers or files large enough to hold the letters standing upright on their edge without being folded. The file contains folders; one folder is intended

for each correspondent, all letters from that party are to be placed in that folder and the copies of replies or letters to this party are to be placed in the same folder. The folder is marked with the name or number of the correspondent. In the case of a bank correspondent the name of the bank and city should be on the folder. The folders are divided by guide cards. For example a bank with a fair list of correspondents in the New York State section would have two or three folders after the Albany guide card, the same after Buffalo, and one or more after other smaller cities; but when it comes to New York city there may be from six to sixteen folders for the correspondents in that city.

In some cases one folder may not hold all the letters received in the period of time they are desired to be kept there; in such a case two or more folders can be used for that correspondent.



A SECTIONAL VERTICAL FILE.

STEEL VERTICAL LETTER-FILE CABINET.
CAPACITY ABOUT 20,000 LETTERS.

When the correspondents are given a number, by which their letters are filed, a card system is used in connection with the file. The card gives name, address, etc. and number of the folder containing the party's letters.

THE FLAT FILING SYSTEMS.

These are drawers for holding the letters flat. There are various makes of these files, some having features that others do not have. Among the flat files is the Shannon Arch File, which has arched rods on which the letters are placed, and when any letter is to be looked at the others can be turned out of the way over the arch, or if it is to be taken off the file the arch is opened and the letter removed. It can be replaced at any time in the same way. The arches are fastened inside the drawers of the cabinets.

The Fred Macey Co., Grand Rapids, Mich., say their vertical system is practically instantaneous, is free from trouble, annoyance and worry, the correspondence is never scattered, letters received and copies of answers are always together and are arranged in their proper chronological order, the latest letter being always the first met with, indexing is always up-to-date and correspondence from several sources is never mixed. The letters being filed on edge without folding permits reference to any letter desired much more quickly and conveniently than if filed in the old style flat file. Each drawer of the vertical file has a capacity of from eight to ten ordinary flat file drawers, and papers may be much more quickly run through the fingers when filed on edge than if filed flat. Cabinets are made with two or more drawers.

About their flat files they say: Correspondence is filed flat in drawers, each drawer being about 3⅛ inches deep. It possesses points of marked superiority over files of similar nature, in construction, selection of material, and its mechanical feat-

ures. Size of drawers, inside measurements, $8\frac{1}{4}$ inches high by $12\frac{1}{8}$ inches wide by $10\frac{3}{4}$ deep. Index is in each drawer for separating letters and keeping them together.

P. F. Pettibone & Co., of Chicago, make the National Letter File. It is a flat file. Among its advantages, they say, there is no turning up of the corners, or tearing out the leaves in the index. Any letter or paper can be removed and replaced at pleasure, without disturbing the others. The file can be left open at any place, a simple arrangement of the spring holding the index in an upright position. They are no larger than most other files, but are so constructed that the filing space is twenty to forty per cent. greater than in other files. They are made in cabinets with two drawers and with any larger number—as many as desired.

The Gunn Furniture Co., Grand Rapids, Mich., makers of sectional cabinets, make a section with the flat files, but do not seem to have the vertical files.

The Globe-Wernicke Co., Cincinnati, O., make both styles. A description of their three-drawer vertical file sections will give an idea of their files. The files, or drawers, operate on extension slides, which support them when opened their full length, permitting examination of entire contents. These slides are under the files, dispensing with heavy sides, and permitting the fingering of the papers from the sides. The drop front is a distinct and patented feature and gives it greater capacity than any file of the same size in the market. A flat key lock with two keys will be fitted to any files wanted. The files measure inside, $11\frac{5}{8}$ inches high by twelve inches wide and twenty-one inches from front to back. Each drawer will accommodate about 5,000 letters with folders and guides.

They also have the Globe File, a flat file with a drawer in cabinets with a suspending device which allows the letter to be easily looked at. But their description of it seems to indicate that they believe the flat system is passing away—being replaced by the vertical.

The Rockwell-Wabash Co., Chicago, make the vertical, flat and arch files. Their vertical drawer is $11\frac{1}{2}$ inches wide, $10\frac{3}{8}$ inches high and fifteen inches deep, depth of filing space $12\frac{1}{2}$ inches, as the compressor in the drawer takes some room.

Their flat and arch file drawers or trays come in sectional cabinets and have the suspending device, which holds the tray in a slanting position so the letters can be more easily seen. The Derby Desk Co., of New York, handle these goods.

DRAWER OF ONE OF THE FLAT LETTER-FILE CABINETS.

The Vetter Desk Works, of Rochester, N. Y., make the vertical, flat and Shannon Arch Files. Their vertical is the usual kind with folders and guides. The flat and Shannon Arch Files have the suspending or drop device. They say these files are especially designed to meet the requirements of the office where there is a limited amount of correspondence. These files are handled by The Hale Desk Co., of New York.

The H. L. Couffield Co., Grand Rapids, Mich., make the "Couffield" Files. They are "exclusive makers of Unit Sectional Vertical Files." These files are made up of a system of units; each unit or section is complete in itself. The different sections are known as "base," "correspondence" and "top" sections, and these three make a complete one-drawer file. The correspondence section contains a drawer ten inches high, twelve inches wide and twenty-two inches long, inside measurements, in which the folders containing the matter filed are placed on edge

between guide cards arranged at intervals of ten, and facilitate quick reference to any folder. Each drawer has twenty guides and 200 folders, and will accommodate about 5,000 letters. The cabinets are made with one, two, three, four and eight drawers.

The Library Bureau, Boston, make the vertical file cabinets with the necessary fixtures. Their three drawer cabinet has a capacity of twenty-one old-style letter files ; the eight-drawer cabinet, the capacity of fifty-six old-style files; the twelve-drawer equals in capacity eighty-four of the old style files ; and the sixteen drawer will hold as much as 112 drawers in the old-style files.

The Yawman & Erbe Mfg. Co., Rochester, N. Y.. say that their "vertical system of filing might aptly be termed the keep together system. It is essentially a time-saver. Its distinctive feature is that it keeps the entire correspondence with any one concern, or upon any one subject—both the letters received and copies of letters sent—all together in a heavy manilla folder in consecutive order." The capacity of one drawer is 4,000 to 5,000 letters, from six to ten times that of the ordinary file drawer. Their cabinets are made in sections with from two to sixteen drawers.

They make a specialty of the Shannon Arch File. This system was invented by Shannon more than twenty years ago, and first manufactured by this company. This system, they say, has never been improved, but the vertical is better for most purposes and more easily used. The cabinets are made with as few as two drawers and as many as sixty drawers.

The Steel Files.

It has been said in favor of steel files that a fire-proof building filled with kiln-dried and steam-dried inflammable wood furniture is a furnace. The Baltimore fire seemed to prove this.

Another thing in favor of the steel files is that they are unaffected by atmospherical changes. Still more, vermin of all kinds will keep away from them. Then, too, the life of the steel cabinet will be longer than that of wood.

The Berger Mfg. Co., Canton, O., make upright and horizontal sections for vertical filing drawers. The upright contains four drawers and the horizontal three drawers. These sections can be built up or stood side by side to have as many drawers as needed. The size and capacity are about the same as the average vertical file drawer.

They also make a section for flat filing with the suspension or drop drawer which is fitted with a spring "that works," and furnished with indexes as desired. Each section contains eight drawers.

The Art Metal Construction Co., Jamestown, N. Y., make office furniture that "won't burn," and have done considerable work for banks. Their key-note of construction is simplicity. No complicated parts to get out of order; no mixed wooden and metal attachments bound to work loose. The files or drawers are made from fine open-hearth steel sheets, free from scale or buckle. All parts are accurately formed with steel dies; edges neatly rounded and bottoms fitted with continuous grooves and rods to hold feet of guide cards. The follower blocks, made of sheet steel with perfect steel locking attachment, are lighter and stronger than those made of wood, and they can be instantly locked at any point in the drawer. The pulls admit the full hand ; the label holders are of generous size.

They also make the suspension files for flat filing. These are very frequently incorporated into equipments for vault interiors.

The Office, Bank & Library Co., Boston and New York, manufacture files in steel and wood. The same claims made for other steel files apply to theirs. Their drawer is made throughout with folded and rounded edges. It moves on extension

slides of improved construction, which support the drawer when it is pulled out to its full length. These are made in cabinets with four, eight and twelve drawers kept in stock, and other sizes as desired. They also make the Brooks Letter File for flat filing. These are the claims made for it: It has no springs to occupy space, mutilate papers, make a noise, or take time in operation. Instead a removable weight compressor holds the papers compressed at the outer edge of the file, thus keeping the papers securely in place and free from dust. The index fastening is the simplest and strongest ever used. Reference to a paper filed can be made in one motion instead of three which are necessary in a spring file.

They also supply other styles of files including the Shannon Arch File.

The Amberg File and Index Co., New York, make a specialty of planning letter-filing systems. It is their business—not a side issue. They have a chart system of letter filing, and send their representatives around to explain it to interested parties.

With all these makes of files are transfer methods and cases—some made of heavy paste board, some of wood and others of steel. These are to be used when it is desired to remove the letters from the files and preserve them elsewhere for future reference. It is advisable to keep the letters in the drawer as long as possible. In the case of bank letters it would not be too long to keep the letters from three to six months in the original file before transferring them.

All that has been said about letter files has been intended to be used for the bank's general correspondence, and most of those mentioned would be entirely too large for the private or personal correspondence of the officers. It remained for The McCollum Mfg. Co., of Chicago, to bring out a good thing for this purpose. It is their Deep Drawer Vertical File that they make to fit the large drawer in any desk. The large drawer is generally a waste space. You can now utilize it with this useful file. It will take care of your special and confidential correspondence, contracts, quotations, reports, statements and many other papers that you want handy. It has fifty-seven of their special files, or folders, with movable label holders, ready to set in your desk—twenty six files for the alphabet and thirty one for the days of the month. To have it fit the large drawer of your desk all they need are the inside measurements—length, width and height. CHAS. W. REIHL.

THE SOUTHERN PORTS.—Messrs. Fisk & Robinson, of New York and Boston, publish in their monthly Bulletin of Investments for June the following: "Taking the three great products of the soil, wheat, corn and oats, the following table shows the proportionate amount raised within the territory tributary to the Southern ports, in percentages of the total production of these staples for the entire United States:

	Percentages raised within the territory tributary to Southern Ports.	*Farm value.*
Corn	74.7	$610,000,000
Oats	53.6	145,000,000
Winter wheat	58.6	150,000,000
Spring wheat	30.8	50,000,000

Of the total of 3,664,000,000 bushels for these three products in the United States, having a farm value of $1,664,000,000, and amounting to, roughly, 3,500,000 carloads, 65.6 per cent., 2,403,000,000 bushels, or over $950,000,000 in farm value, are produced within the territory which, on the present basis of rates of distance, is tributary to the Southern ports. If we include cotton, which is practically entirely produced within this area, the farm value is swelled to the enormous total of approximately $1,500,000,000. These enormous values, which enter largely into foreign commerce, both directly and indirectly, coupled with the saving in cost of transportation via the Southern ports and the additional advantage of lower ocean freight rates in the Gulf section, are the natural forces which are the sheet anchors of the looming industrial greatness of the South."

WALTER A. MASON.

PRESIDENT COMMERCIAL AND FARMERS' NATIONAL BANK, BALTIMORE, MD.

The reorganization of the Commercial and Farmers' National Bank, of Baltimore, effected some time ago, has resulted in a large accession of city and country accounts, the deposits having increased over a million dollars in the past six months. Such a gain, despite the disastrous February fire which destroyed so many important business establishments of the city, is an evidence of vigorous and capable management.

WALTER A. MASON.

Mr. Walter A. Mason was elected President of the Commercial and Farmers' National Bank March 26 last, and the advance which the bank has recently made has been due to the business policy inaugurated by him. Mr. Mason is a native of Illinois, and is not quite thirty three years of age. He has had extensive banking experience, however, and for about four years prior to his election to his present office he was a National Bank Examiner with headquarters at Baltimore. His efficiency in the discharge of his duties is indicated in the following statement made by Hon. William B. Ridgely, Comptroller of the Currency, at the time Mr. Mason was elected President of the bank:

"While I am very sorry to see him sever his connection with this office, I congratulate him upon the opportunity and wish him every possible success in his new undertaking. Of this I have little doubt, for during his employment by this bureau he has had such a large and varied experience, especially with the most difficult and complicated cases which have arisen, and has shown such thorough knowledge of bank work, that I am confident he will be able to handle the duties of his new position with credit to himself. When I came into the Comptroller's office I found that his reputation was that of one of the most competent and efficient men on the whole force of bank examiners. Since then I have had this confirmed by the efficient and satisfactory manner in which he has handled many of the most difficult complications with which I have had to deal."

This estimate of Mr. Mason's abilities has been borne out by the record made by the bank under his management.

The Commercial and Farmers' National Bank is one of Baltimore's oldest banking institutions, its original charter dating from 1810.

CURRENCY AND BANKING IN SOUTH AMERICA.

[Address delivered before the Convention of the West Virginia Bankers' Association, held at Huntington, June 8, 1904, by Hon. C. B. HART, Wheeling, West Va.]

Mr. President and Gentlemen of the Association: The little story that I have to tell will not cover so wide a field as that indicated in the title given to it by the committee. It will have to do with certain phases of currency and banking in one South American country and for a comparatively brief period. I cannot hope that the story will have value for you except that it teaches once more a lesson which cannot be taught too often—that once the Furies are let loose in finance nothing in all the range of evil is more possible than the seemingly impossible.

For nearly six years—from early in July, 1897, to late in March, 1903—I was a sojourner in the city of Bogota, capital of the Republic of Colombia, South America. In that time that interesting country ran about the whole gamut of monetary vagaries —from straitened circumstances awoke one fatal morning to fancy itself in opulent ease; from the Slough of Despond sailed out on paper wings to the delusive heights of an easy and glorious triumph in finance; fell from its unsubstantial perch in the cloudland of ecstacy and, its flimsy wings broken and torn, plunged headlong into the abyss of bankruptcy unutterably hopeless.

Let us give a moment to setting the stage. It is no cramped stage, either. Colombia's shores are washed by the waters of the Atlantic and the Pacific. Her territory then—before the day of her Panama folly—stretched from Central America far away to remote Brazil. Colombia is twenty times as large as West Virginia; more than three times as large as New England, New York and Pennsylvania. It is the most mountainous part of the continent. Railroads are few and far between—not much more than rays of hope. There are steamboats of our Ohio River type, the best of them built in Pittsburgh, all of them engaged in difficult navigation, made more dangerous by incompetency and recklessness. Even cart roads are few and relatively unimportant. The mule trail is the great highway. The horse is the vestibuled train of parlor cars, the mule the express, the ox the fast freight.

There are Government telegraph lines, kept in working order when winds or revolutions permit or the Government does not object. There is a postal service subject to about the same limitations. Banks are plentiful and important at the capital; beyond that few, playing no great part in the economic life of the country. The people are of Spanish, Indian, Negro, blood, with a sprinkling of foreigners and a considerable variety of blends. The population is somewhere between 4,000,000 and 5,000,000—the census is not frequent nor of scientific accuracy. The chief products are silver and gold, horses, mules, cattle, sugar, coffee, cacao (the chocolate bean), fruits, vegetables, ivory, dye stuffs, rubber and revolutions. The production of sugar does not supply the home demand. At times Cuba has furnished a ready market for cattle. In point of value coffee, hides, silver and gold are the chief articles of export.

The industries are distinctly primitive. In the modern sense there is no industrial development. Almost everything a Colombian uses, apart from his food, is imported. Some coarse fabrics of cotton and wool are made in the country, but even the peon class is largely dependent on supplies from abroad. The upper class

HON. C. B. HART

has academic education, the lower class practically none. The first shot in a revolution closes the schools, and that shot is heard with monotonous frequency.

For want of other opportunity, as they think, the ambition of the educated is to live on the budget, and so they are hardly out of college before they are into politics. If success in this industry fail to win place, it may win a Government contract or other opportunity. The unsuccessful find the Government a failure. Elections are opera bouffe. Ballots give way to bullets and bayonets, and the revolution is on—the outs fighting to get in, and the ins fighting to stay in, and the common people having very little idea of what it is all about. Now, probably, the stage is well enough set for our purpose.

When I reached the Colombian capital there was great discontent, which the opposition politicians were not slow to nurse with a skill that would have aroused the envy of some of our own experts. The Government was in financial difficulties, and the situation was getting no better very fast. Among other things some diplomatic claims were pressing and money had to be found. The high rate of foreign exchange was alarming. I sold my first draft on the United States at 150 premium—a draft for one thousand dollars brought me twenty-five hundred Colombian pesos. The peso is Colombia's dollar. Then I saw that it was true as it was written by the prophets of a cheap currency, that forty cents gold could be turned into a dollar—of some kind. At that time the Colombian paper dollar and the Colombian silver dollar were at par, for they were interchangeable. Silver had not yet gone out of circulation. Silver had driven out gold. Paper had silver on the verge and would soon push it over. It was the working of Gresham's law, which operates everywhere with the same inexorable certainty. The end may be arrested, delayed, but it comes. The paper dollar brought 40 cents gold because it could be exchanged for a silver dollar of a melting value of forty cents gold.

More money was needed, and more bills were ordered from New York. There was great rejoicing, for was not the strain to be relieved? The more thoughtful shook their heads. The other sort shook hands with each other and with themselves—what did eight millions added to seventy millions amount to for a country of so great natural resources? Soon the drums of the revolution beat a call to the discontented. Pronunciamentos blossomed on every tree. It was openly charged that the Government encouraged the uprising against itself in the hope of floating itself off the rocks on a high tide of paper money. And then there was the commercial side of revolution, always interesting.

The Government declared the country in a state of war. By this executive act the legislative voice is silenced for the time, and the executive power speaks for the legislative as well as for itself. Now the power of the press began to make itself felt. Bills from New York were too expensive, for exchange was rising, rising, rising; which is to say that the value of the paper dollar was falling, falling, falling. The silver dollar had gone to join the gold dollar. Both were out of circulation and were traded in as other marketable commodities were traded in. In due time the nickel coins went the same way—nickel became a metal too precious to be left in that maelstrom of paper, and it gave way to its paper substitute.

The printing press rose to the situation, sprang into unprecedented activity, ate up cheap raw material at amazing speed, and vomited forth a steady stream of paper money. The value of the paper money fell so fast and so far that soon the cheapest paper was too dear for anything but bills of the higher denominations. Dollar bills represented too great a loss to keep on grinding them out. One hundred dollar bills were fairly profitable. The degradation of the country was continuous, but not always in the same degree. At first exchange rose—that is to say, the paper money fell—a few points a month. I saw exchange jump six thousand points in twenty-four hours. It went so high—to twenty-two thousand, twenty-one thousand

per cent. premium for gold over paper—that the market value of the Colombian dollar fell to a fraction less than half a cent gold. Only the assignats of the French Revolution went lower.

Take an illustration: When I reached Bogota, the salary of the President of Colombia, reduced to gold, was forty per cent. more than mine. By the time the orgie of cheap money reached its height my salary, always of course paid in good American gold, was thirty times as great as the President's reduced to gold. And his had been doubled in the mean time, while mine was a fixed quantity. When I last heard exchange had fallen to about ten thousand and the Colombian dollar was looking up. It was worth one cent gold.

Some interesting phenomena presented themselves. At first there was no relation between exchange and prices. Exchange rose to one thousand—a thousand paper dollars for one hundred gold dollars—before there was any appreciable rise in prices. Prices of foreign wares were first to go up, market products and wages the last. It was the old story. They who earned their bread in the sweat of their brow were caught between the upper and the nether millstone. Shopkeepers who had bought their goods for current money, whatever that might be, and on time, were glad to sell at what they thought a good advance. The creditor importers suffered, for they had to pay in good, hard gold. When prices really got to going they went fast enough, but it was difficult for them to keep pace with the ups and downs of the currency. Some shopkeepers tried to solve the problem by doing their best to keep ahead of exchange, others by fixing their prices in American gold and reducing the gold price to paper money at the current rate of exchange. However they went at it, they had a hard job of it, so violent were the fluctuations of exchange. A shopkeeper did his best in the morning to know the rate of exchange. Perhaps it jumped fifty points or a hundred points while he was talking to his customer. He was in great luck if his day's receipts in paper bought him enough gold exchange to replace the goods he had sold. The shopkeeper's troubles were great, and so he tried to put on a profit great enough to insure against the great hazard of his business. Then consumers complained that the shopkeeper was taking too good care of himself. Where retailers had bought on long time and for current money they flattered themselves that they were getting rich fast. Exchange was not bothering them just then.

On one occasion I saw sold an article which I had reason to know cost five dollars at the American factory. It sold for one hundred Colombian dollars, worth at that time about four dollars American gold. The article could not have been replaced in the Bogota shop for less than nine dollars gold. I asked the merchant if he had made a pretty good profit. He replied that he had bought the article for fifty paper dollars, and that, being a reasonable man, one hundred per cent. always satisfied him. That contented man had more so-called money, but he didn't realize that he had less wealth. If he had ordered one of those articles from the United States he would have learned something.

The way of the importer was hard, very hard. He bought abroad for gold. Perhaps he paid in coffee, hides, or rubber—if he got a chance to ship those products out of the country. In any case the basis of his purchases was gold. His ocean freights were paid in gold, his commission agent at the coast charging him in paper money at the current rate of exchange of the coast. The Bogota merchant did not know what those freights were costing him, for telegrams about exchange and cipher telegrams were not allowed to be sent; and anyhow there was no longer a telegraph line to either of the ports used by Bogota, for the revolutionists had destroyed that means of communication. River, railroad and mule freights rose rapidly and it was hard to figure on them. Indeed, when the importer got his elements of cost all together it was only by a good guess that he was able to reduce

them to a common denominator. Then came the effort to keep business moving at a real profit, a profit in gold. Cash sales simplified the question to an extent, for there was always the uncertain element of foreign exchange.

The Government was a large buyer of exchange for war materials, and that made a bad situation worse. There was no common centre where exchange was dealt in, no Bourse, where the price was fixed. Everybody was his own Bourse. The way to know definitely the rate of exchange was to try to buy or to sell. Even then the rate depended on the denomination or the kind of paper money to be paid for the draft. Exchange was higher if bought with large bills than if bought with small bills. The small bills were in demand to make change. At first ten dollars was a large bill. Later it took its place among the small bills.

The difference between large bills and small bills was at one time as great as thirty-eight per cent.—I have paid that myself to get dollar bills for car fare.

The dollar bills printed in New York were for a long time worth in the market forty per cent. more than the dollar bills printed in Bogota. In some parts of the country the Bogota bills would not go at all, although they were legal tender and there was a penalty for refusing them. In those regions, the New York bills, having the sole advantage of good paper and good workmanship, were accepted cheerfully. Then there was discrimination against bills issued by departmental governments. At one time the bills of a departmental government were at a discount of eighty per cent. as compared with bills of like denomination issued by the central Government at Bogota. One was just as good as the other, for the national Government was responsible for one as much as for the other, and as likely to redeem either as to coin sunbeams into double eagles. The trouble with the departmental bills was a convenient rumor that the central Government would not recognize them. Soon after they were about all in the right hands the Government set rumor at rest by taking the trouble to wipe from those unhappy bills the stain of a grim suspicion.

Needless to say that in all this chaos speculation was wild. When rivers of paper money are flowing everybody's ship is just ready to come in. Those were busy times all over inhabited Colombia, and busiest of all in the capital city of Bogota. Brokers popped up like mushrooms. War news was wanted most of all for its effect on exchange. When there was no news rumors were good enough. Some misguided ones went in deliberately with false rumors to influence the rate of exchange. At times it was charged that important news was held back by the Government to give favored ones a chance to earn an honest penny. How was speculation in exchange profitable on a rising market, that is to say, with the current money of the country depreciating and likely to depreciate more? Certainly not by using one's own money. It was of the essence of the operation to go at the thing with borrowed money. Let us suppose that Don Pedro Sanchez determines to speculate on the bull side of the exchange market. He desires to buy ten thousand dollars in gold or in drafts on New York, payable in gold. For this he needs, let us say, one hundred thousand dollars in current paper money. He must borrow the paper money if he can. Then if exchange goes twice as high he will sell one-half of his gold to discharge the debt against it, and he will clear the other half less the interest on the loan. It is plain that Don Pedro's operation is possible, because he borrows legal-tender money, worth when it is repaid half as much in gold as it was the day it was borrowed. His credit is his capital.

Didn't everybody understand this operation? Not quite everybody. Did the banks lend money under these circumstances? The banks lent millions under just these circumstances. Did the banks know what they were doing? Some of them, the most important, did. How, then, were these operations possible? This puzzled me a good deal. I knew the managers of the important banks and knew that

they were not idiots. This made the puzzling situation all the more interesting. The puzzle worked itself out in this way: The banks paid their running expenses and their dividends in paper money, the kind of money in which they did business. They had their capital and surplus partly in home real estate and partly abroad in gold. They lent the money of their depositors. The banks that did not pursue this course were courting ruin. If purchasers of exchange gained under these circumstances, it is clear that the owners of the money they borrowed were in for a loss. The shrinkage in the gold value of deposits was enormous, and, strange to say, this phase of the case did not seem to make much impression. I knew a man who at the beginning of the evil days had in bank three thousand pesos, worth twelve hundred dollars gold. The bank was paying him six per cent. interest. He withdrew the money to lend it at three per cent. a month; and when his three thousand pesos were worth about thirty dollars gold this good man told me in great glee what a good investment he had in it. The people hated the paper money, regarding it as the root of all the ills that had come upon them; and yet they could not escape the fascinating power of its plethora.

There were bears in exchange, and some of them backed their judgment. Now and then they hit it, but the bulls had the better of it on the whole. Between them there were heavy losses and heavy gains. The country was losing all the time, losing irrevocably.

A little more than a year ago it was given out officially that the issue of paper money amounted to four hundred millions. Those who had kept as careful tab on the issue as was possible under the circumstances estimated the amount at about fifteen hundred millions. There was a large amount of counterfeit. At one time it was thought to be equal in volume to the genuine, but the genuine reached a point of degradation where it did not pay to counterfeit anything less than a fifty dollar bill, and there was little more than a day's wages in that.

Colombia has natural resources that should afford a comfortable livelihood for many times her present population. She finds herself in misery—her treasury bankrupt, her creditors almost without hope, her people in despair. Her wage-earners feel the pinch of paper money, for it takes more work than ever before to earn a hat, a shirt, a loaf of bread or a machete. It is the old story with its old lesson. Happy the people that does not buy its experience in so dear a market.

NOTICES OF NEW BOOKS.

NATIONAL BANK ORGANIZATION. By the National City Bank of New York. New York: Robert Grier Cooke.

This is an exposition of the laws and regulations relating to the organization and operation of National banks, dealing particularly with the relations of the banks to the Government. It contains much accurate information that will be found useful to those connected with the management of a National bank.

The book is further to be commended as a model of typographical taste.

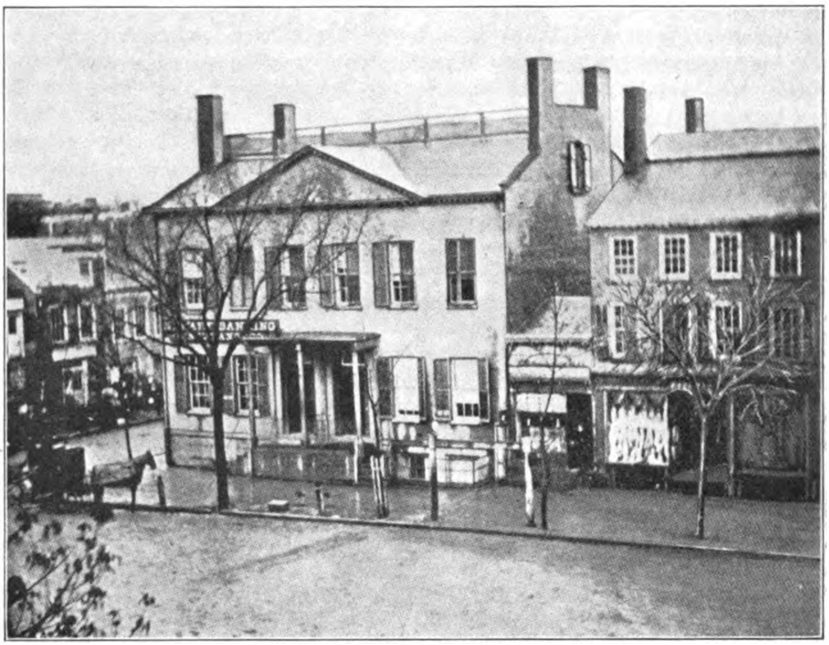
THE OPEN SHOP.—While the open shop is obviously a practical question, it must ultimately be solved on a basis consistent with the principle of personal liberty for all—liberty of union men to act through their union without hindrance or discrimination, liberty for non-union men to act individually without hindrance or discrimination, and the liberty of employers to organize and conduct the management of their business without interference. So long as these rights are denied, and either side insists on dictating to the other, the war of the open shop against the closed shop will continue.—"*Principle of the Open Shop*," *Gunton's Magazine for July.*

THE NATIONAL NEWARK BANKING COMPANY.

ITS SUCCESSFUL RECORD OF OVER ONE HUNDRED YEARS.

*There are but few older banks in the country than the National Newark Banking Company, of Newark, N. J. When the bank was chartered, in 1804, there were about forty-five banks doing business, but doubtless most of these have ceased to exist.

The bank was chartered February 18, 1804, under the title of the Newark Bank-



THE BANK'S FIRST BUILDING, 1805-1856.
(Courtesy of Robert Grier Cooke.)

ing and Insurance Company, and upon the renewal of the charter, March 31, 1855, the title was changed to the Newark Banking Company. At its organization as a National banking association, June 24, 1865, it took the present name—the National Newark Banking Company.

It should be mentioned that the charter granted to the bank in 1804 was the first bank charter ever granted by the State of New Jersey. The capital stock was fixed at $225,000. At a meeting of the stockholders May 4, 1804, directors were elected

* A handsome booklet, giving a complete history of the bank, has just been issued from the press of Robert Grier Cooke, New York.

and they chose Elisha Boudinot as President and William Whitehead as Cashier. Business was begun July 30.

Although Newark had only 5,000 population at this time, there was already a considerable amount of manufacturing and trade, which required banking facilities. From the first the management has been characterized by a sound policy, and handsome semi-annual dividends have been paid uninterruptedly. Throughout its long career, the bank has maintained an honored name. In the Civil War it took large amounts of Government securities, and in other ways helped to sustain the Union cause.

In the spring of 1902 a consolidation of the Newark City National Bank with the National Newark Banking Company was effected. That the business of the bank has been successful may be inferred from the fact that the capital is now $1,000,000; surplus and profits, $1,410,000, and deposits over $5,300,000. The present officers of the bank are: President, E. S. Campbell; Vice-President, D. H. Merritt; second Vice-President, A. H. Baldwin; Cashier, H. W. Tunis.

DRINK AS A CAUSE OF DECAY.—The chief cause of England's industrial decay, the real ghost in the cupboard, is, without any doubt whatever, our great national hobby, drunkenness—the one national and universal panacea for the ills of men and women, old and young, high and low, rich and poor.

On this hobby our direct expenditure last year was 180 millions, about £25 per family ($125), plus the cost in poor rates, homes, refuges, police, prisons, hospitals and asylums for the devotees of the habit. But what is the cost to the country, from an industrial standpoint, in brain and muscle, in the deadened mind, the blunted intellect, the unsteady hand, the unreliability and unpunctuality of a habit invincibly established behind centuries of tradition, and winked at by employer as well as employee?

Men at the head of our large industries may drink if they will. No temperance crusade invades their sacred precincts. But in an industrial competition which is rapidly becoming an industrial warfare this weak point in their armor is the first to reveal itself. The two generations from shirt sleeves to shirt sleeves are already telling their tale. The middle classes, speaking industrially and not socially, follow the example with which they have become so familiar.

The artisan, the backbone of the country, is in a plight still worse, for in addition to his general ignorance, his narrow horizon, his antiquated tools and methods, his unalterable conviction that he has nothing to learn, he must meet the brunt of the warfare, handicapped by his intemperance.

And worst of all, we are in very actual possession of twelve millions, about one in four of our population, who are in abject poverty, too incapable for anything, even for anarchy; men and women who stand around the streets of our large cities by the hundred thousand, bold, bloated, dissolute, black-eyed, sinful, dishonest, degraded, debauched, never sober except by accident, incapable of self-respect, and content to dwell in filth and rags indescribable.—*Margaret P. Murray, in Contemporary Review.*

Republicans and the Currency.—After commenting favorably on President Roosevelt's defense of the Republican policy in the Phillipines, the "New York Times" says: "We wish we could with equal heartiness assent to Mr. Roosevelt's observations concerning the national currency and the service of the Republican party in contributing to its soundness. Our currency system is not at this moment as sound and safe as it would be if the Republican leaders had not felt that the currency issue was in the partisan sense too serviceable a one to be thrown away by the enactment of completely remedial laws. The greenbacks and the silver dollar stand as proof of the party's perfidy to the National interest and safety."

GEORGIA BANKERS' ASSOCIATION.

The thirteenth annual convention of the Georgia Bankers' Association was held at Lookout Inn, Lookout Mountain, Tenn., July 12 and 13, 1904. About seventy-five delegates were present, and something over fifty visitors. It was one of the most enjoyable meetings ever held by the association.

MILLER S. BELL,
President Georgia Bankers' Association.
(Cashier Milledgeville Banking Co.)

The convention was called to order in the music room of the Inn at ten o'clock on the morning of July 12, and was opened with prayer by F. S. Etheridge, President of the Jackson (Ga.) Banking Co.

The roll-call was omitted, and the president's address was then delivered. President S. B. Brown, of Albany, delivered an interesting address, dealing with conditions as they are in Georgia, and congratulating the bankers upon the general prosperity of the State. He recommended that all legislation of interest to bankers now pending in the Georgia Legislature be supported by each and every member, particularly the bill in regard to periodical examination of private banks.

The reports of the executive council, the treasurer, the secretary and the delegate to the American Bankers' Association were then read, and were all adopted. The executive council reported the passage of several valuable laws, among which was the repeal of the three days of grace law in Georgia, which was gratifying to the bankers of the State. The secretary reported an increase of nineteen in the membership, and the report of the treasurer showed the association to be in good financial condition.

Clark Williams, Vice-President of the United States Mortgage and Trust Company, New York city, delivered an able address upon the subject "An Element of Danger to Banks in Municipal Bonds as Security." This address was greatly enjoyed by all present. It showed the loose way in which lithographers as a rule handle plates for the engraving of bonds, and how they are apt, and have in time past fallen into the hands of crooks and forgers, and been used to engrave false bonds, which have been hypothecated with banks. Mr. Williams' address was by unanimous resolution ordered embraced in the proceedings.

An interesting paper was read by A. Kavanagh, Assistant Cashier of the National City Bank, New York city, on the subject "Safe and Unsafe Banking." Mr. Kavanagh laid down in this paper some good rules for conservative banking, placing great stress upon the moral risk in making loans. His paper was well received, and ordered embraced in its entirety in the proceedings.

After the reading of these papers, an experience meeting, so to speak, was held.

Members from the various Congressional districts of the State were called upon to report conditions, industrial, agricultural, and financial, in their several districts. Members from all over the State reported general prosperity. A fine peach crop was reported, and everyone stated that the next cotton crop will be a great success both as to the matter of quantity and price. The demand for money was reported as good, and all the banks were loaning freely to good customers.

In the afternoon of the first day of the convention the entire convention were taken in carriages over Chickamauga Park, the famous national park about twelve miles from Chattanooga, where the battle of Chickamauga was fought during the Civil War. This was a delightful ride, and while en route through the park the party had the pleasure of witnessing a drill by the Seventh U. S. Cavalry, which is stationed at the park. The party returned to the city by way of Missionary Ridge, the scene of another important engagement during the Civil War, arriving at the Inn about 8 P. M. At 9:30 P. M. a ball was tendered by the hotel management.

The convention was called to order the second day at 10:30 A. M. by President S. B. Brown.

The main feature of the programme for the second day was an address by C. O. Austin, Vice-President of the National Bank of North America, Chicago, upon the subject "State Supervision of State and Private Banks." This address was received with great interest on the part of the bankers, especially so as at this time a bill is pending before the Georgia Legislature for the examination of private banks the same as State banks are now examined. Mr. Austin's address was ordered printed in full in the proceedings.

The subject of "Immigration" occupied the attention of the convention for some little time. There is a bill pending before the Georgia Legislature to establish an immigration and labor bureau. Every banker in the convention seemed to favor immigration, and the establishment of an immigration bureau, but Mr. Walker, of Monroe, Ga., spoke a word of warning against the establishment of a labor bureau, or the agitation of labor troubles in any way, from which Georgia has hitherto been comparatively free.

Suitable resolutions were passed, thanking all who participated in the entertainment of the bankers, and especially thanking Col. Morton of the Seventh U. S. Cavalry for the delightful entertainment rendered by his regiment in the drill at Chickamauga Park.

W. S. Witham, who is the President of some forty or more banks in the State, made some valuable suggestions to the bankers in regard to fidelity and burglary insurance. His suggestions were well received, and he was made chairman of a committee to present these suggestions in definite form to the executive council with the view to adopting them, if found feasible.

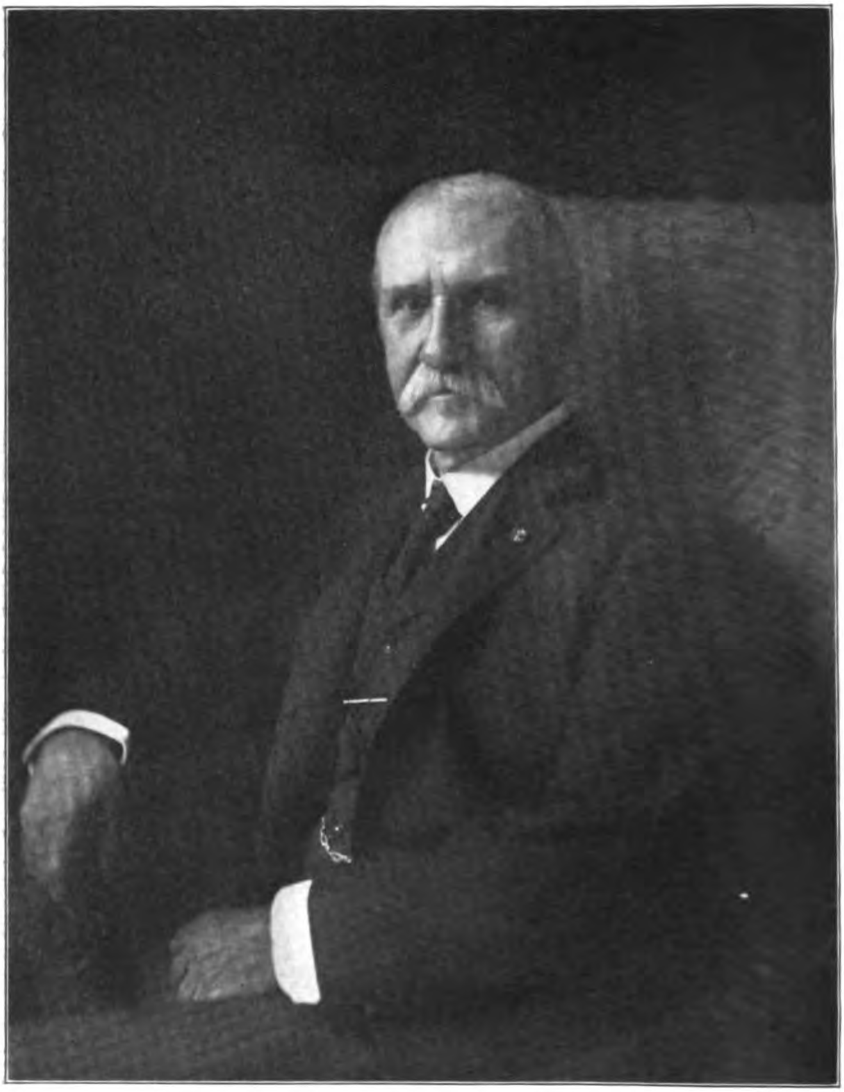
The following officers were elected for the ensuing year:

President, Miller S. Bell, Cashier Milledgeville Banking Co., Milledgeville; first vice-president, Joseph T. Orme, Cashier Lowry National Bank, Atlanta; secretary, L. P. Hillyer, Cashier American National Bank, Macon; treasurer, Oscar E. Dooly, Assistant Cashier American National Bank, Macon; chairman executive council, John H. Reynolds, President First National Bank, Rome.

The convention adjourned at 1 P. M., and that night the special train conveying the delegates to the St. Louis Fair left Chattanooga.

The entire convention was harmonious, pleasant, and interesting. The papers presented were well written, and the discussions were short and pointed, and upon the whole it was one of the best conventions the association has ever held.

The time and place for the next meeting were left with the executive committee, as usual.



GEO. M. LAUGHLIN

President Keystone National Bank, of Pittsburgh

THE KEYSTONE NATIONAL BANK OF PITTSBURGH.

The Keystone Bank, of Pittsburgh, which was organized in 1884 as a State bank under the laws of Pennsylvania, has just entered the National banking system as the Keystone National Bank of Pittsburgh.

In the twenty years that this bank has been doing business it has had an

W. H. Nimick, *Vice-President.*

interesting history, marked by continuous success, and a review of its career, in view of the recent change in the form of its organization, and the progressive character of its management, will be both appropriate and instructive.

The Keystone Bank began business May 12, 1884, in the Oil Exchange Building, and in 1889 moved to larger rooms at 324 Fourth avenue, where it remained until the spring of 1901, when it moved to 427 Wood street, which location was occupied until the completion of the Keystone Bank Building, a modern fifteen-story structure at Nos. 320, 322 and 324 Fourth avenue.

Originally the capital was $300,000, and on October 1, 1901, it was increased to $500,000. Since its establishment the bank has paid its stock-

KEYSTONE NATIONAL BANK BUILDING.

A. S. BEYMER, *Cashier.*

holders dividends aggregating $352,500, and at present pays 2½ per cent. quarterly, and an extra dividend of one-half of one per cent.

Captain J. J. Vandergrift was the founder of the bank, and he continued to be its President until his death, December 26, 1899. He was succeeded by the present President, George M. Laughlin, of the Jones & Laughlin Steel Company, who has been a director of the bank since its organization.

Captain Charles W. Batchelor retained the office of Vice-President until his death, June 29, 1896, and was succeeded by W. H. Nimick, the present incumbent, who was previously a director.

A. B. Davitt, the first Cashier of the bank, resigned in 1889, and was succeeded by J. H. Hayes, who resigned in 1896 because of failing health. Mr. Hayes was succeeded by the present Cashier, A. S. Beymer, who was the individual bookkeeper at the organization of the bank.

In November, 1902, the office of Assistant Cashier was created and filled by the promotion of Edward E. McCoy, formerly individual bookkeeper.

The directors are: Geo. M. Laughlin, Jones & Laughlin Steel Co.; Joshua Rhodes, director Philadelphia Co.; James I. Buchanan, President Pittsburgh Trust Co.; G. W. C. Johnston, President Keystone Commercial Co.; William Witherow, proprietor Hotel Duquesne; S. H. Vandergrift, capitalist; Wm. B. Rhodes, Vice-President Penn Coke Co.; Wm. C. Magee, Vice-President Industrial National Bank; J. C. McDowell, Vice-President and General Manager Union Gas Corporation; W. H. Nimick, President Pittsburgh Life and Trust Co.; David F. Collingwood, fire and liability insur-

ance; Irwin B. Laughlin, Jones & Laughlin Steel Co.; Harry W. Dunlap, merchandise broker.

In its own new building the bank has secured quarters perfectly suited to its present business, with due provision for future growth. Every detail, both of construction and equipment, represents the latest and best achievements of architects, engineers, and decorators. The main banking room is ideal in its arrangement and unexcelled in its accommodations for the public and the bank's employees. Besides the rooms for the use of the officers, there is a corporation room and a room set apart for the use of visiting

E. E. McCoy, *Assistant Cashier.*

bankers. There is also a completely equipped department for women, and a savings department.

The bank is prepared, by reason of its personnel and its physical equipment, to render the highest degree of banking service to the local depositors and banking correspondents, and that it has achieved an exceptional and deserved success is indicated by its steady growth. Since 1897 the capital has grown from $300,000 to $500,000; surplus and profits from $183,000 to $784,000, and deposits from $754,000 to $2,500,000.

INVESTMENT NOTE.—The total net income of the Buffalo & Susquehanna Railroad Company for the eleven months ending May 31, 1904, was $458,318, and after deducting $141,819 fixed charges a surplus of $316,499 remained.

NEW YORK STATE BANKERS' ASSOCIATION.

ELEVENTH ANNUAL CONVENTION OF THE NEW YORK STATE BANKERS' ASSOCIATION, AT BLUFF POINT, LAKE CHAMPLAIN, THURSDAY AND FRIDAY, JULY 14 AND 15, 1904.

The Eleventh Annual Convention of the New York State Bankers' Association, held at the Hotel Champlain, Bluff Point, New York, on July 14 and 15, 1904, was the most successful, in point of attendance and enjoyment, in the history of the association.

The two morning sessions disposed of the usual routine business, and the large room, known as the White Parlor, was crowded with enthusiastic bankers, who listened with great interest to the instructive and eloquent addresses of Mr. F. D. Kilburn, Superintendent Banking Department, State of New York; Mr. John L. Hamilton, of Hoopeston, Ill., Chairman Executive Council American Bankers' Association; Mr. M. J. A. Prendergast, General Manager La Banque d'Hochelaga, Montreal, Canada; Mr. Hartman Baker, Cashier Merchants' National Bank, Philadelphia, Pa., and Mr. R. Ross Appleton, President Fourteenth Street Bank, New York city.

The O'Neill Bill, compelling trust companies to make reports, the same as State banks, was unanimously indorsed.

The following officers were elected for the ensuing year: President, Charles H. Sabin, Vice President National Commercial Bank, Albany; vice-president, Alfred H. Curtis, Cashier National Bank of North America, New York city; secretary, E. O. Eldredge, Cashier Owego National Bank, Owego; treasurer, David Cromwell, President First National Bank, White Plains.

Social Features of the Convention.

The first afternoon's entertainment was a trip by special train from Bluff Point on the Delaware & Hudson road up on the branch road for three miles, landing the passengers directly in front of the Ausable Chasm grounds. The wonderful scenery through the Chasm and the boat ride over the rapids were thoroughly enjoyed by all, the special train returning in time for the evening entertainment, which consisted of a banquet which three hundred attended. The tables were beautifully decorated with flowers, and the presence of thirty officers of the 5th Infantry in their gorgeous new uniforms, accompanied by their wives, made the scene a most brilliant sight.

The music by Clark's Orchestra and the Empire Quartette, the two organizations rendering satisfactorily all the popular airs and songs, and Mrs. R. A. Purdy, wife of one of the bankers, sang divinely.

Speeches were made by Mr. Hartman Baker, Frederick D. Kilburn, Henry C. Brewster, John L. Hamilton, Alfred H. Curtis and Major Francis P. Frémont, son of General John C. Frémont, the Pathfinder, and first Republican candidate for the Presidency of the United States. It was after midnight when the assemblage broke up, all joining in "Auld Lang Syne."

CHARLES H. SABIN,
President New York State Bankers' Association,
(Vice-President National Commercial Bank, Albany.)

The second afternoon a sail on the special steamer Chateaugay, which carried the party through the beautiful islands of upper Lake Champlain, landing them at Plattsburg, added much to the pleasure of the convention. At P'attsburg they were met by four chartered trolley cars, which, after a trip through the residential part of the city, stopped at the Plattsburg Barracks, one of the largest military reservations of the United States Army.

The parade, which was participated in by three battalions, was a most brilliant affair, all the officers and soldiers being in full dress uniform. Colonel Henry H. Adams and his staff were most hospitable and added a few extra maneuvers, including the presentation and salute of the colors, the color sergeant being an old Indian fighter of General Miles' Regiment in the early Indian wars. When the "Star Spangled Banner" was played by the band, all present arose and stood uncovered. It was a most impressive sight.

In the evening a reunion of the guests of the New York State Bankers' special which went to the National Convention at San Francisco last October, was held. Some forty attended the banquet, the table being in the form of a horse-shoe. Afterwards there was an enjoyable concert, followed by dancing, which tested the capacity of the spacious ball-room.

All the junior officers of the Post were invited and accepted. Midnight suppers to the military guests closed the evening.

Many of the bankers remained over Sunday, and the Delaware & Hudson Company ran a special train, consisting of their most powerful engine, a baggage, buffet, parlor and observation cars, which made a record run to Albany, stopping only at Saratoga.

The convention was generally characterized by those present as the most successful and enjoyable yet held by the association. For this great credit is due to the committee of arrangements, and particularly to the chairman, Mr. Alfred H. Curtis, Cashier of the National Bank of North America, New York city.

A complete detailed report of the convention follows :

FIRST DAY'S PROCEEDINGS.

PRESIDENT PIERSON: Gentlemen, the time has arrived for the opening of our convention. We are favored with the presence of the Reverend Joseph Gamble, pastor of the First Presbyterian Church of Plattsburg, who will open our proceedings with prayer.

After the invocation President Pierson then delivered his annual address as follows :

ANNUAL ADDRESS OF PRESIDENT LEWIS E. PIERSON.

It is a pleasure to welcome you to our eleventh annual convention. Each meeting brings us together better acquainted and equipped to serve the purpose of our organization.

The past year has been eventful. From a period of inflation, values have fallen to a safe and sane basis ; and while the decline was tremendous, the inherent strength and recuperative power of the nation have produced a most profound impression both at home and abroad. In our own State the banks are in splendid condition. Whatever weakness may now exist arises from the payment of excessive rates of interest on deposits, a policy to which some of our members have, in many places, been forced by trust company competitors operating under laws which never contemplated the banking and monetary conditions now existing. Amongst mercantile as well as financial interests there prevails a spirit of conservatism, which with the safe political outlook and abundant crop prospects, promise another era of prosperity.

In practical work the association last year has been more of a unity, your secretary endeavoring to inform group officers upon matters of interest in other groups, while the legislative committee appointed by the council of administration was successful in securing the adoption of the Smith Bill, limiting to one year liability on forged checks.

On bank money orders, careful study of the plan soon to be in operation by the American Bankers' Association, and outlined in your committee's report, leads to the conviction that its inauguration will in many ways prove an important event in modern banking.

This association has already favored repeal of the National Bankruptcy Act, which, having served its purposes by starting anew hopelessly insolvent, and yet honest debtors, should not be continued to weaken the sense of honor and moral responsibility of our people.

The membership of our association, while large and increasing, is not yet what it should be, and in this connection it might be well for group members to consider

ALFRED H. CURTIS,
Vice-President New York State Bankers' Association,
(Cashier National Bank of North America, New York City.)

continuing in office, when proper material is available, either the secretary or chairman of their group, so that effective missionary work can be followed up.

In the report of the council of administration there are many recommendations for your thoughtful consideration, action upon which will be taken at to-morrow's meeting.

The next order of business will be the report of the secretary.

ANNUAL REPORT OF SECRETARY E. O. ELDREDGE.

SECRETARY ELDREDGE: Mr. President and Gentlemen—I beg leave to submit the following report:

In the beginning of the year which followed upon the close of the last annual convention, the fact was impressed upon your secretary that the duties of the office had increased; that to be the officer he should, he would have no spare time and that there were responsibilities for the welfare of the association resting upon him which could not be shifted, if the association were to continue the progress which it had made for the ten years of its existence. These impressions were not wrong. How well the duties have been performed and the responsibilities carried, you will judge.

In membership we are at our best—the number being 474, divided by groups, as

follows: Group I., 53; Group II., 26; Group III., 34; Group IV., 62; Group V., 87; Group VI., 47; Group VII., 43; Group VIII., 120. The apparent gain in membership is only twenty from last year's record, but actually forty-two new members have joined. But the fact is that in the past year, as is always the case, a few have failed to pay dues, or have dropped out for reasons of their own. There have been some few consolidations; other members have become branches and a very few have liquidated, with the net result above stated. At the beginning of the year a campaign was started to largely increase the membership. The chairman of the several groups were urged to take the matter up with their non-member banks, and generally they did so heartily. One or two of the chairman seemed to think it useless, having threshed over the ground before. Time and again the secretary has written to the group chairmen, giving lists of members and non-members and suggesting various arguments which might be of use in interesting those who were not of us. For instance, after the Smith Bill became law, it was urged by the bankers generally that this was a thing of sufficient importance to make every banker in the State feel that he could not afford to be outside of an organization which was able to accomplish such a result.

Carrying out the suggestion that the secretary should make himself useful in attending group meetings, he wrote early in the year to the chairmen of the several groups, signifying his willingness to visit their groups as the occasion might offer, and if they should so desire, make known to them what the others were doing. Accordingly he went at various times to the different parts of the State, learning what he might of the methods of one group and reporting it to the others in person, and by letter; acquainting the chairmen of all the groups with what he had learned which he thought might be to their advantage. In this way he attended group meetings at Buffalo, Syracuse, Brooklyn, Albany and Elmira. The secretary feels that much has been accomplished along this line; but still there are 200 banks in the State which ought to be members of the association, in addition to the present membership. This means that the campaign begun in the secretary's office ought to be continued with renewed vigor, and that we adopt such other means as seem to be useful for the enlistment of all the banks.

There have been held during the year eleven group meetings.

In the ten months since our last convention, the secretary has written upwards of 2,100 letters. He has mailed copies of the printed proceedings to every banker in the State, to those who participated in the convention of last year, to the president and secretary of other State associations and to financial papers and institutions, other than banks. Three hundred copies of the Smith Bill, accompanied by a circular letter, urging the importance of the bill, went to banks and bankers, asking that they put themselves in immediate touch with their members of Assembly and State Senators, to save the bill. Two hundred and forty-seven circulars went to non-member banks immediately following the invitation to attend this State convention. These letters urged the banks to come in with us, and to attend our convention this year. Something like eight new members resulted.

The secretary has traveled 4,693 miles during the time, in the interest of the association. He has recently mailed 472 metal signs reading "Member New York State Bankers Association," to members of the association, for display in their offices.

He acknowledged the receipts from the treasurer of $750, three-quarters of his yearly salary; out of which he has expended for postage, traveling expenses, stenographer, stationery, etc., $379.87.

The secretary wishes to express his obligations to his fellow officers and the members of the council of administration for their hearty co-operation in all matters pertaining to the office.

On motion the secretary's report was placed on file.

PRESIDENT PIERSON: The next order of business is the report of the treasurer.

DAVID CROMWELL: Mr. President and Gentlemen of the Association—My report is very brief and is as follows:

ANNUAL REPORT OF TREASURER DAVID CROMWELL.

New York State Bankers' Association in account with David Cromwell, treasurer.

Receipts.

1903.			
Sept. 11.	Received from E. T. Johnson, former treasurer	$842.96	
Sept. 14.	Extra seat at banquet	6.00	
Sept. 24.	L. E. Pierson, stamped envelopes redeemed	7.20	
1904.			
March 19.	Proceeds from note of $1,000	967.50	
July 6.	Proceeds from note of $1,000	985.00	
Annual dues from 466 banks and bankers		5,545.00	
Total receipts			$8,353.66

Payments.

1903.			
Sept. 18.	Allowance to E. T. Johnson, clerk hire	$100,00	
1904.			
March 19.	Printing proceedings	300.00	
	Council meeting expenses	1,240.78	
	Stationery and supplies	498.82	
	Salary to secretary	1,000.00	
	Saratoga convention expenses	2,920.39	
	Disbursements to groups	1,356.00	
			$7.415.99
Balance on hand			$937.67

Membership Report.

Total membership reported at last convention	455
Total membership reported at this convention	473

Respectfully submitted,
DAVID CROMWELL, *Treasurer.*

PRESIDENT PIERSON: I will appoint as the auditing committee the following: Anthony Lamb, Cashier Commercial National Bank, Syracuse; William G. Miller, director Freeport Bank; M. S. Sanford, Cashier Geneva National Bank, Geneva.

We will now listen to the reports of group chairmen, which will be taken up in their order.

GROUP I.

D. W. TOMLINSON, President Bank of Batavia: Mr. President and Gentlemen—Group I. has held but one meeting during the last year, and at that meeting thirty-two banks were represented and heard from. Mr. Eldredge was present and spoke to us on the subject of increasing our membership, and we have attended to that matter; we have used every argument we knew how to induce outside banks to come in, but, I am sorry to say, with very slight success, as we have only increased in membership by three. There are now some fifteen incorporated banks that are outside of our group membership.

GROUP II.

HENRY C. BREWSTER, President Traders' National Bank, Rochester: Gentlemen, there is little to report from Group II. The meetings of this group have been few and far between since the last annual meeting. Apparently the members of the group are prospering in their business relations to such a degree that they deem it

unnecessary to get together and talk over the situation. There is little within the group affording grounds for discussion.

The officers at this time are the speaker, who is chairman of the group; W. B. Farnham, Assistant Cashier German American Bank, Rochester, secretary; J. M. Edwards, Cashier Merchants and Farmers' National Bank, of Dansville, treasurer. Members of the executive committee: E. F. Brewster, Vice-President Flour City National Bank, Rochester; A. M. Holden, banker, Honeoye Falls; F. H. Hamlin, President Canandaigua National Bank, Canandaigua; T. F. Olmsted, Cashier

WAITING FOR THE BOAT.

Genesee Valley National Bank, Geneseo; M. S. Sandford, Cashier Geneva National Bank, Geneva.

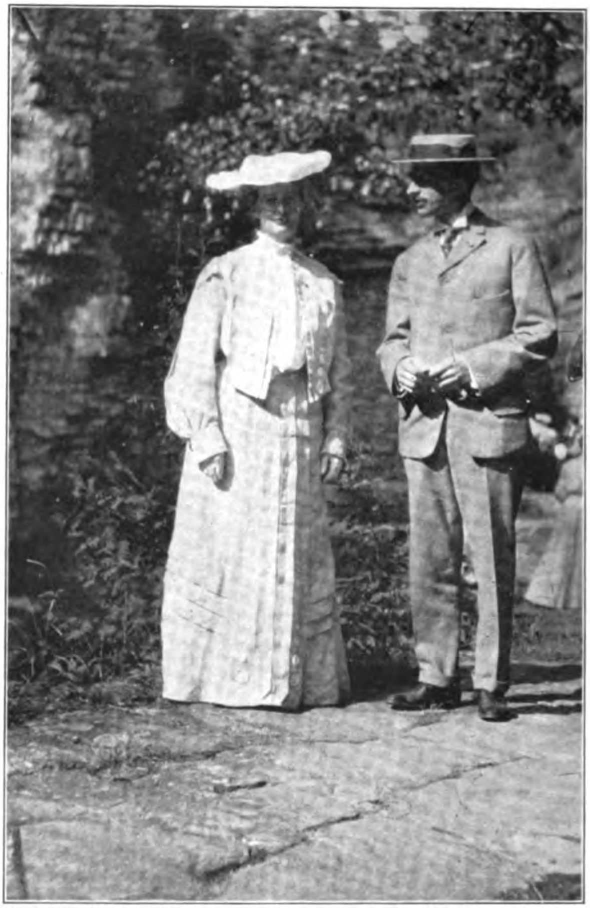
Twenty-six banks and bankers make up the membership of the group.

In regard to some banks not having joined, I believe it is due in a large measure to unwillingness to pay the dues; there is a feeling among people that they would get very little in return for the money paid out. I have corresponded with all of them at various times, and I have so far been unable to bring them to a state of mind where they could see value received. You will notice that the non-members are, as a general rule, quite small in volume of business and capital.

Forty banks, individuals and copartnerships operating banking in Group II are not now in the membership of the association.

GROUP III.

F. E. LYFORD, President First National Bank, Waverly: Group III has held two meetings since the last convention. The first was held at Cayuga last September;



MRS. ALFRED H. CURTIS AND PRESIDENT CHARLES H. SABIN.

the ladies were present, and it was a very largely-attended meeting. When the meeting was called to order the group was addressed by Mr. Pierson on the subject of Bank Money Orders. Then we had a dinner at the Cayuga Hotel, which was helped out by contributions from the Cayuga Wine Company. That was followed by a trip down the lake to a wine cellar, where we saw wine in all stages and conditions, and I must say that we came away from there in various stages and conditions. The next meeting was held in Elmira, beginning with a dinner, to which every non-member of the group was invited. We did not get many responses from the non-members, however, as only three appeared, but we nailed two of them for membership. We had twenty-three persons present at that meeting. Our delegate to the American Bankers' Association's Convention at San Francisco made his report. Secretary Eldredge of our State association was present, and we had an address from Hon. L. H. Rockwell, an attorney of Elmira, on the subject of "Forged Papers and Irregular Acknowledgment of Legal Documents," and altogether the meeting was very profitable. I may say that it was held around the board immediately after the conclusion of the dinner, and holding it in that way seemed to

meet with the approval of all present and proved to be a very pleasant way to get the people together.

The number of banks in our group is sixty-two. Of these, twenty-three are private banks, and sixteen State banks. We have increased two or three members in the last year as the result of considerable work. We lost this last year Judge Seymour Dexter, of Elmira. At the time we met in that city he was seriously ill. He was vitally interested in our group work, and I think that I can safely say that his loss will be deeply felt in our group, as also in the State association.

GROUP IV.

E. S. TEFFT, Cashier First National Bank, Syracuse: The last meeting of Group IV was held at the Yates Hotel, Syracuse, N. Y., January 28, 1904. On account of the very severe weather and fears of blockade, there were only about twenty-five members present. Luncheon was served at 1 o'clock, after which the meeting was held. It was entirely of a social character, no special topics being discussed. After election of officers and the executive committee the meeting adjourned. Our membership is sixty-four, an increase of only one during the year. In spite of repeated letters to non-members, I have been able to make only a slight increase during the year. The principal excuse seems to be that, as some of them are members of the American Bankers' Association, they do not see why they should belong to both, and, on the other hand, some do not think it important to belong to either. I shall still continue my efforts along the same lines, and hope to be able to report an increased membership.

GROUP V.

F. C. HAVILAND, Cashier Farmers' National Bank, Hudson: On the 18th of February, 1904, Group V held a very successful meeting at the Fort Orange Club, at Albany. At that time we had a total membership of eighty-five; seventy-two members were present. We have gained two in membership since.

I have written to every non-member of Group V, asking them to join the association. Out of the twenty non-members, two have joined. I have received favorable replies from four banks. They say they will take the matter up and give it consideration. One bank writes me that they do not care to join. The balance have not replied to my letters. I shall make further efforts to get them to become members, and hope to be able to do so before the end of the year.

GROUP VI.

ROBERT A. PATTESON, President Tarrytown National Bank: Group VI reports progress—a great deal of it, and not in any perfunctory style, either, that means nothing.

We have had two meetings during the year. The first was held at Poughkeepsie, at which there were between twenty-five and thirty members present, and a very enjoyable and pleasant time was had. The second meeting was held last week at Stamford. There were present seventy-five people at the banquet, and we had a splendid gathering.

There are sixty-five banks in Group VI, forty-seven of whom are members of the group, seven new members being added during the year. The group congratulates itself that we have as a member the introducer of the bill which bears his name—Hon. D. B. Smith.

GROUP VII.

HENRY E. HUTCHINSON, President Brooklyn Bank: Group VII represents Brooklyn and Long Island. It held its annual meeting on December 16, at the Clarendon Hotel in Brooklyn.

At the beginning of the year there were about ten banks not in our group, but the secretary and myself wrote to them separately, and we succeeded in bringing in six of them. We have a present membership of forty-four.

At our meeting we had a general discussion on clearing-houses and on the liability of banks respecting forged checks. Mr. Griswold, Mr. Jenkins and Mr. Young were appointed a committee to report upon the advisability of forming a separate clearing-house for Brooklyn and Long Island. Secretary Eldredge was present at the meeting. After dinner we attended the Montauk Theatre in a body. We find that the best way to have good meetings is to have a good time. Our next

AUSABLE CHASM.

meeting was held at the occasion of the annual banquet on April 16, when our wives and daughters were present. Addresses were made by Gen. Woodford, Mr. Boody, Mr. Pierson, Mr. Griswold and others. It is planned to have one more meeting, a summer outing, down at Coney Island, when we shall invite not only our own members and wives and daughters, but the directors of our banks, and possibly the depositors. Already 250 have engaged to go and have a good time and witness the sights of Dreamland and Luna Park.

Group VII is prosperous and is very much interested in making the New York State Bankers' Association a success. As proof of this I may mention that eleven banks from our group are represented here at this meeting.

GROUP VIII.

G. W. McGARRAH, President Mechanics' National Bank, New York: The principal meeting of Group VIII during the year was held at the Waldorf-Astoria

December 17, 1903, and while I did not have the pleasure of being present, I understand that the occasion was a very enjoyable one, there being an attendance of 584 members and guests.

The annual meeting for the election of officers was held at the clearing-house April 23, 1904, sixty members being present. The secretary's report showed the group membership to consist of eighty-four banks and thirty-six firms, and the group had a balance on hand of $102.96. Additional interest was given to the meeting by the remarks of R. Ross Appleton, President of the Fourteenth Street Bank, on the subject of "Trust Company Reserves," and a resolution was adopted recommending the passage of the O'Neill Bill.

PRESIDENT PIERSON: The next order of business will be the report of the council of administration.

REPORT OF THE COUNCIL OF ADMINISTRATION.

SECRETARY ELDREDGE: Mr. President and Gentlemen of the Association, the report of the council of administration is as follows:

The council of administration of the New York State Bankers' Association has held four meetings during the year. The first meeting was held at the New York Athletic Club on the 22nd of January, 1904, when were present the full council, excepting the chairmen of Groups Nos. I and IV. Reports were made by the treasurer and secretary. The secretary was directed to send letters to the chairmen of the several groups, urging a largely increased membership for the year.

A legislative committee was appointed, consisting of Messrs. Chas. Adsit of Hornellsville; W. G. Nash, Albany, and Charles Elliott Warren, New York city, the committee having power to add to its numbers.

A bill providing that the liability of banks for forged endorsements should be limited to one year was read and endorsed by the council. By resolution the legislative committee was instructed to use all diligence to secure the passage of this bill. The result is known; that through the efforts of this committee a different bill, but one which covered practically the same ground (known as the Smith Bill) was finally made law. As is not uncommon, the legislative committee ran up against a lot of obstacles. Opposition from one source and another was formidable, and while it would be interesting to give some account of the objections and hindrances with which the committee had to contend, particularly as to throwing light upon the opposition to bank legislation which seems to be latent with the majority of our State lawmakers, it will be sufficient to say here that the committee was equal to the emergency, and with the help of its friends the bill became law. In support of the bill a majority of the council appeared at Albany at the time of the hearing, with such influence as each might bring to bear, in order that it might reach the Governor.

A committee of five, consisting of Messrs. A. H. Curtis, R. A. Patteson, Andrew C. Cornwall, Hiram R. Smith and E. O. Eldredge, was appointed to make arrangements for the coming convention.

The treasurer and secretary were appointed a committee to consider the advisability of metal tags, or signs, reading "Member New York State Bankers' Association," similar to the tag used by the American Bankers' Association, for distribution to the members. The committee reported at a second meeting of the council, and the secretary was authorized to purchase such a tag. The same has been sent, within the past few days, to all the members in the State.

It was shown at the meeting, by the report of the treasurer, that the association had need of funds beyond those at its command, it being a fact that ever since the organization of the association it had yearly (with one exception, when the convention was held late in the year, after the collection of annual dues) been dependent

on its officers, or other friends for moneys wherewith to meet expenses. In other words, it had repeatedly anticipated the payment of its annual dues.

The officers borrowed from the treasurer one thousand dollars, which action was approved by the council at its meeting in New York, on the 19th of May. Later the council authorized the treasurer to borrow two thousand dollars more, or so much thereof as might be neccessary to meet current bills and convention expenses.

The second meeting of the council of administration was held at the clearing-house in New York city, Thursday, May 19. There were present all the members of the council excepting representatives from Groups Nos. II and VIII. There were also present by invitation the members of the committee of arrangements, with the exception of Mr. Cornwall.

The bill introduced by Assemblyman O'Neill in the last Legislature, and known by the name of its author, providing that trust companies shall make and publish

ENTRANCE TO AUSABLE CHASM.

reports, as do State banks, under the same conditions and penalties, had the serious attention of the council. It was the unanimous opinion that the State association could hardly do itself better service than to take up this bill with the next Legislature, using its powerful influence to have it made law. It is believed that no single act could do more to put the trust companies which do a general banking business on the footing of banks, where they belong, than the enactment of this law. In accordance with this idea, the council unanimously voted to endorse the O'Neill Bill and recommend to the association the passage of the bill.

After a lengthy discussion and a statement of the situation, as understood by ex-President Griswold, and by others of experience with the affairs of the association since its beginning, a resolution was adopted, that the council at the coming annual convention recommend to the association that the yearly dues be made payable on the first day of May, instead of the first day of October.

The committee of arrangements reported at length. Discussion was also lengthy, and the final results were that the convention was to be held at the Hotel Champlain, Bluff Point, N. Y., July 14 and 15. The council approved the selection of the time and place and instructed the committee of arrangements to go ahead.

The third meeting of the council of administration was held at the Astor House, New York city, June 30. The resignation of President DeRidder was accepted Vice-President Lewis E. Pierson was unanimously elected president to fill the

vacancy. Mr. F. E. Lyford, of Waverly, was unanimously chosen vice-president.

Chairman Curtis, of the committee of arrangements, was present by invitation, and made a report of the actions of the committee to this date.

A resolution was adopted, providing that new members, paying their dues on or after the first day of July, 1904, shall be considered to have paid for the association year following the end of the present year, that is, that such new members shall not be liable for the payment of yearly dues on the first day of October, 1904, but should be given a receipt by the treasurer, which should cover the association year, beginning October 1, 1904.

The fourth meeting of the council of administration was held at Hotel Champlain on Wednesday evening.

There was present a full representation of the council; also Mr. Warren, of New York city, secretary of Group VIII, acting by request in place of the chairman of the group. Mr. Curtis, chairman of the entertainment committee, was also present and stated what had been done by the committee to contribute to the pleasure of the delegates and their guests. The treasurer presented his report, as did also the secretary, and they were recommended by the council with its approval to the convention. A motion was made and carried that the convention at its opening session appoint a committee on resolutions, which was carried.

A motion was made and carried that the convention be requested to direct the chairmen of the various groups to call the attention of their membership to more effective work and interest in the American Institute of Bank Clerks. It was suggested that the American Bankers' Association be requested to endeavor to secure the passage of the Clean Money Bill, which was before the last session of Congress, which is, briefly stated, a provision that the expressage on unfit money to and from the Treasury of the United States shall be paid by the Government. It was voted to recommend that the delegates selected to the next convention of the American Bankers' Association should endeavor to have that association take action on the subject. A motion was made and carried that the delegates to that association be instructed to urge the association to pass a resolution having for its aim the repeal of the Bankruptcy Law. A resolution was presented by H. R. Smith, of Rockville Center, and adopted by the council, reading as follows:

"*Whereas*, There are frequent cases in which banks of this State have lost money owing to the fact that statements by borrowers made at the time of securing loans have not correctly represented the condition of their business, being consequently a prima facie case of obtaining money under false pretenses: therefore be it.

"*Resolved*, That the New York State Bankers' Association recommend to the American Bankers' Association at its next meeting an amendment to the constitution so as to provide that this class of cases shall be prosecuted by the American Bankers' Association in the same energetic manner as are forgeries, bank burglaries, and similar offenses against the well-being of banks, and the delegates from this association to the Amerlean Bankers' Association are instructed to use every means in their power to further the passage of this measure."

Last year's convention referred to the council the subject of the payment of interest on deposits. After lengthy discussion a motion was made and carried that the chairman of each group be requested to take up the subject for discussion in their group meetings and report further. The question of taxation was brought up and discussed, the particular point being that banks are now taxed, under the present system, which is somewhat better than the system formerly prevailing, by double taxation on real estate. A motion was made and carried that the legislative committee be requested to endeavor to secure an amendment of the present tax law which shall make it more equitable to the banks in the matter of their assessments on real estate. This report was approved and placed on file, after which the presi-

dent appointed the following committee on resolutions: S. M. Griswold, of Brooklyn; F. S. Saxton, of Gloversville, and F. E. Cogswell, of Albany.

The following nominees were next presented: President, Charles H. Sabin, Vice President National Commercial Bank, Albany; vice-president, Alfred H. Curtis, Cashier National Bank of North America, New York city; secretary, E. O. Eldredge, Cashier Owego National Bank, Owego; treasurer, David Cromwell, President First National Bank, White Plains.

PRESIDENT PIERSON: These nominations will be acted upon at our session to-morrow.

We are favored with the presence here to-day of Mr. Frederick D. Kilburn, Superintendent of the Banking Department of the State of New York, who has kindly consented to come here and speak to us. I take pleasure in presenting Mr. Kilburn.

INTEREST ON DEPOSITS.—ADDRESS OF HON. F. D. KILBURN, STATE SUPERINTENDENT OF BANKING.

I have been asked to say something to this convention upon the subject of banks of discount paying interest upon individual deposits.

After this subject was assigned to me the thought suggested itself that something also might be said upon the question of the payment of dividends to stockholders. These two features of banking are so closely interwoven, and their consideration is so essential in determining the correct policy to be pursued by banks, that they should be discussed together.

The mere suggestion that a solvent bank should not pay dividends will perhaps strike some as exceedingly novel, and as being tinctured with *ultra* conservatism. I hope, however, even in the short time allotted me, to convince you, or, if not convince, to give you sufficient reasons why you should be convinced that a solvent bank under certain conditions may not wisely divide its earnings among its stockholders.

As to the payment of interest upon individual deposits, it ought not to be necessary to present arguments for the purpose of convincing bankers that the payment of such interest, to any great extent, at least, is an evil and a menace to the banking interests of the State. In fact, very few will claim that it ought to be done if it is possible to avoid it.

There is no business in the country in the stability and soundness of which the people are so vitally interested as that of banking. In fact, it may be said that all other business is dependent upon the conservative care and correct principles with which the banking interests of the country are conducted. There is less room in banking than in any other business for experiment or the employment of that kind of genius which is forever seeking new methods of money making, and constantly discovering some shorter and quicker route to wealth tha nmay be found in the old and sure methods which always characterize a solid and successful bank.

Conservatism should be the great underlying principle governing banking institutions. Conservatism may not properly be applied to all things in life. There should be no conservatism in war, nor in love of country. But in banking a man should never forget that he is the trusted custodian of the people's money, and that he has no more right to speculate or experiment with it, or take any unnecessary risk with it, however small that risk may be, than he has to see how near he can shoot to another and not hit him.

Occasionally dishonesty in bankers is discovered. This is an evil of banking that cannot well be guarded against, and which cannot be discovered until committed, but the bane of banking is not so much dishonesty, as the want of careful management, and the observance of what some sneer at as antiquated ideas and methods.

There are two important purposes which the true banker should ever keep in mind. First, to keep, so far as human judgment can suggest, the deposits entrusted to his care absolutely safe; and second, to return to his stockholders, either in cash or in appreciation of the value of their stock, a fair return upon their investments. The second object is dependent upon the accomplishment of the first. In fact, each is dependent upon the other. They go hand in hand, and, if the first is observed, the second will necessarily follow.

A bank should be treated as an entity. The varying personal interests, desires and necessities, of individual stockholders should not be considered in determining the proper policy for a bank to pursue. That policy must be pursued which will work for the success of the bank as an institution, corporation, an entity by itself, always keeping in mind, not so much the individual interests of stockholders, as the safety of depositors and the reasonable

accommodation of customers. If these two objects are constantly kept in mind, the best interests of the stockholders will as surely follow as the day follows the night.

Any individual who in his private business spends all that he makes (and perhaps more), and makes no provision against a rainy day, is looked upon by all good business men as doomed to ultimate failure. So any bank which spends by dividing among its shareholders all, or nearly all, of its earnings is sooner or later bound to meet the same doom.

Men seldom favor a particular bank with their deposits unless they think that bank is sound and safe. Personal friendship in matters of this kind counts for very little, unless other things are substantially equal. Ninety-nine out of every hundred depositors look at the strength of the institution with which they are asked to do business before opening their accounts. It is, therefore, necessary, in my opinion, as a fundamental part of the scheme of banking to place the bank upon a basis which will inspire the confidence of those to whom you appeal for business and patronage. Your capital may be large, but even this, if it becomes evident that you are spending substantially all of your earnings, or only carrying that part of them to surplus which the law compels you to do, will not inspire the confidence necessary to permanent success. You must convince the public that you hold the safety of depositors, the soundness and conservatism of your institution, as of more importance than the payment of dividends. I would rather have a large surplus as an attraction to draw business than the most persistent personal solicitation.

A bank can usually make more money with money than an individual, and the interests of the stockholder himself demand that a comparatively large surplus shall be first accumulated before any considerable amount, or perhaps any amount, is returned in dividends. The stockholder is losing nothing; his stock is worth just so much more; the earnings of the bank are enhanced in proportion, and usually the selling value of the stock of a bank which has a surplus equal to or exceeding its capital is much greater in proportion than the stock of a bank with a small surplus.

A bank cannot, or, at least, should not, declare and pay dividends simply because of the personal needs of its stockholders. Any stockholder whose personal needs interfere with a policy which is best for the bank has become a hindrance, instead of a help, and should sell his stock and sever his connection with the institution.

After a bank has accumulated a surplus which becomes a recognized guaranty to depositors against loss, dividends may be made, and larger ones than could otherwise be made, and this without impairing the standing or solidity of the bank, or exciting suspicion or distrust.

Show me a bank which has followed the policy of dividing all, or nearly all, of its earnings, except that which the law compels to be carried to surplus, and I will show you an institution not only intrinsically weak, but which lacks the confidence of the community in which it is located to a greater or less extent.

Banking in this respect differs from the business of other stock corporations simply because the public is interested to a much larger degree than it could be in the case of other corporations. A manufacturing corporation which does not invite the credit of the public, and whose money it has not on deposit, has no need of accumulating a surplus, at least not one beyond the needs of its immediate business. It is dealing with its own money, and, if it fails, the general public is not affected in any way or degree as in the case of the failure of a bank. A different policy, therefore, must be pursued by a bank. Absolute stability, safe investment and conservative management, are all essential to the success of the business, and are in the interest, not only of depositors, but of stockholders alike.

My views upon this subject may seem radical to some, but point out a bank in the State which is enjoying even a reasonable amount of success, and I will show you one which has pursued the policy which I have indicated.

There are many banks in the State which refrain from making any dividends at all until their surplus is large, in some instances equaling their capital.

It is the policy of trust companies to-day in effecting their organization to pay in a large surplus; usually an amount equal to the capital stock. This, however, is hardly on a par with that which I advocate. It does not test earning power, and may not excite that degree of confidence which an earned surplus would do. A wise depositor has confidence in the bank which is capable of earning a goodly return upon the stock, but that confidence will be shaken and destroyed if the capacity to earn is followed by foolish and excessive expenditure.

Banks are organized to exist for years, and we should look into the future and determine our policy with reference not to the needs or the desires of to-day, but with reference to the welfare and stability of the bank in the years to come.

The payment of interest upon individual deposits is, in my opinion, the greatest menace to banking in the State to-day. I have spoken and written so frequently upon this subject that it is hard for me to say anything new, or to give any further reason for the position I take.

There are bankers in the State who disagree with me, and those depositors to whose attention the subject has been called are inclined to regard the proposition to abolish interest

upon individual deposits as a direct attack upon them and a grasping scheme upon the part of the banks.

Depositors are more vitally interested in the abolition, or at least a material reduction in the rate of interest paid by banks, than anyone else. The interests of the individual depositor will not be wisely guarded if the payment of interest upon his deposit involves loss, or danger of loss, of the deposit itself.

I had occasion, last winter, to deliver an address before a group of this association, at the Fort Orange Club, in the City of Albany, and I can perhaps do no better than to repeat some of the arguments which I made at that time upon this question.

I do not believe that there is a banker in the State to-day who does not down in his heart deprecate the practice of paying interest on individual deposits, and who would not do away with it if he could see his way clear to do so without, in his judgment, seriously injuring his own institution. I cannot conceive that there is a banker in the State who does not believe this practice to be contrary to sound principles of banking, and on the whole detrimental to the banking interests of the whole State.

In banking as in all other business, you will find men whose vision does not extend beyond the narrow limits of their own institutions, and who see nothing but the direct and immediate influence or effect which any particular policy may have upon the banks with which they are directly connected. They think that the securing of an extra few thousand dollars on deposit by the payment of large rates of interest is the one thing to be accomplished. They lose sight of the bróad question, and its effect upon the banking interests of the State generally; and do not realize that an abolition, or a substantial abolition of the practice throughout the State would make conditions so much better, and banks so much stronger; that their own institutions would not only be benefited as a part of the general result, but that each bank would experience an immediate and direct benefit through its individual action in doing away with the practice.

The practice of paying interest on such deposits has grown to such proportions that in many sections of the State it is relied upon as the chief means of attracting deposits. This competition, which in many instances has developed into an unseemly scramble, is often accompanied by undignified, misleading, and in many instances absolutely false advertising.

The province of a bank, and the underlying idea and intention of its organization is not to pay interest, but to get interest, to serve the public conservatively, and safely invest the funds committed to its care. Any bank which departs from this general policy enters the field of unsafe practices and speculative adventure.

It is not my intention to condemn entirely the payment of interest by banks. My contention is against the payment of interest on commercial deposits, the money used by merchants, tradesmen and manufacturers in the daily transaction of business. Were I to go farther than this, my task of accomplishing any reform would be transformed from the faint hope of success into the certainty of absolute failure.

Savings banks are organized for the express purpose of gathering and investing the savings of what I have frequently termed the "provident poor." These institutions are of an eleemosynary character, and best fitted for this service. Accounts of this kind should not be taken by banks or trust companies, but should be left to the care of those institutions which the law designates as their special custodians.

It is entirely proper that trust funds should be deposited in trust companies, and that a rate of interest based upon existing conditions should be paid upon them. These are not the kind of deposits that I am speaking of. What I decry, and the practice which I condemn, is the payment of interest upon money which is in daily employment in the business of the country, and which is therefore necessarily subject to immediate call and frequent and violent fluctuations.

I, of course, recognize the futility of individual effort in accomplishing any reform. Nothing can be done which will do away with the evil to any appreciable degree, except through united effort.

It seems to me that there is no question to which you could so profitably devote your time and energies as in striving to accomplish, if not the total abolition of the evil, at least a material mitigation of it. I understand that one of the purposes of this association is to discuss practical questions of banking, with a view to correcting wrong practices or policies, and of inaugurating new ones which will be beneficial, and which changed conditions may require.

Let me, therefore, urge that this is a question which is worthy of your undivided and most sincere attention.

It is well for us to meet once a year in a convention of this kind, and to bring with us our wives and daughters to make our meeting as pleasurable as possible, but if we give too much of our time to the pleasure of the occasion, we shall fail to accomplish and carry out the original purpose of its organization. Let us combine with our pleasure a serious attempt to solve practical questions concerning our profession. Let us not try to accomplish too much

in a given time. Take up one question, this one, for instance, of the payment of interest upon individual deposits. Let it be seriously discussed, and if, as a convention, you come to the conclusion that it is a matter which is detrimental to the banking interests of the State, take the necessary action for its abatement. I know that it is a difficult problem to handle, and it is only perhaps through an agitation of, and an education of, bankers upon the subject that anything can be accomplished.

The best interests of both stockholders and depositors demand, if not the entire abolition of interest upon commercial deposits, at least a very material reduction in its rate. The public is more vitally interested in the absolute soundness of the institutions with which it does business than in the interest which depositors may receive upon balances; and, as a rule, all the profit which they gain from this interest is at least equalled by the consequent larger rate of interest which they are compelled to pay upon their loans and discounts. Or, if this is not always so, these benefits of interest in many cases are more than offset by the failure of banks, traceable directly to the payment of unwarranted rates of interest and to loans made through an over-anxiety that money drawing interest from the bank should be made to pay the highest return possible to the bank. We must not forget that the payment of interest is a continuing and fixed charge, that a certain amount of reserve must be kept against deposits, that an anxiety to make loans and keep money earning something sometimes outstrips conservative judgment, and that, on the whole, the practice is a losing game.

I hope that I have not impressed you that my views regarding banking in the State are pessimistic. If I have, I wish to dispel this impression. The payment of interest upon deposits, or the undue declaration of dividends, is not peculiar to the State of New York. Notwithstanding all that I have said, I believe that banking in the State of New York is more conservatively conducted than in any other State in the Union. But it will not profit us to make comparisons with other States. We should place the banking system of our State upon the soundest foundation possible, and, if we recognize any evil existing as a general practice throughout the State, it should be our duty to eradicate that evil regardless of what other States may be doing. We should not only keep our banks in a better condition, but in as much better condition as human foresight, conservative judgment and wise policy can suggest.

PRESIDENT PIERSON: A suggestion has been made that the five-minute talks would properly come in after each address. Now we have just listened to a most excellent address, and I think it would be proper to discuss it for a few minutes, if any one is prepared to do so.

REMARKS BY MR. BREWSTER.

H. C. BREWSTER, of Rochester: I was very glad to hear one statement from Mr. Kilburn, and that was his statement that his condemnation of paying interest on deposits applies especially to commercial deposits. It has been the fad for a year or two to indiscriminately condemn the payment of interest on deposits. I have been unable to sympathize with that view, but I heartily concur with the Superintendent's condemnation of the practice of paying interest on commercial deposits, and I think no conservative bank will do it. There are a number of kinds of deposits, as the Superintendent has well said. We all know, too, that Savings banks—until very lately, at any rate—have not confined themselves exclusively to their legitimate sphere; but thanks to the ruling of the Banking Department of the State of New York the Savings banks are now being brought into line where they belong, namely, as charitable institutions, and not permitted to receive large deposits. It is not so many years ago when they would receive $3,000 from a man, $3,000 from his wife, and $3,000 from each of his children, and then $3,000 from himself as administrator or executor, until he really got a deposit of twenty odd thousand dollars or so. But I believe now the bank examiners have got on to that game and have stopped it. In those days the Savings banks paid the highest rate obtained for deposits. We also know that many trust companies are soliciting even one dollar deposits, and all that sort of thing, and interfering with the Savings bank business. Again, other trust companies are soliciting the collection of country checks, and some of them are even discounting commercial paper—that is, they call it buying. So, if occasionally our commercial banks encroach a trifle on both

of these other institutions, I think they can hardly be blamed for it, considering how much their field has been encroached upon. One of the most annoying things from my standpoint in the last two or three years has been every little while having some dealer who kept a very good account, an active account, coming in and saying that some neighbor had offered him a certain rate per cent. upon his daily balance. That I look upon as an outrage, and I have lost some good accounts as a result of it. That is the kind of interest on deposits that ought to be strongly condemned.

H. R. SMITH, of Rockville Center: I wish to say that I have enjoyed the address of Superintendent Kilburn very much, and I cordially approve of all that he has stated. I also agree with him, that if we are going to accomplish anything as an association, it must be through agitation and education; and if it is in order, so as to carry out the suggestion of Superintendent Kilburn, I would move that his address be printed in pamphlet form and sent out under a separate cover to every bank and banker in the State.

PRESIDENT PIERSON: Would you include among those who are to receive a copy the Savings banks and trust companies and non-members of the association?

MR. SMITH: Yes; I think it should go to all of them.

The motion was seconded and carried.

LEO SCHLESINGER, of New York city: I may be permitted to say that Mr. Kilburn's address does not go quite far enough. I am more than pleased to see that he is with us on this question of the payment of interest on deposits, and when I say with us, of course, I refer particularly to New York city banks, such as I represent.

Now, it is all very well to have a paper read in this convention condemning certain practices, but what we want to have applied is the remedy. Now, we want some aid in order to stop this payment of interest on deposits. I am not now referring to the old-line trust companies that are really trust companies in the true sense of the term; they and the Savings banks carry on a certain branch of business that we commercial banks are not looking for; but I refer to the trust companies that have been organized within the last few years, and that are transacting a business which is very detrimental to legitimate banking interests in New York city.

J. D. SMITH: I think I should say a word in relation to the remarks made by Mr. Schlesinger. Some years ago I introduced a bill in the Legislature in regard to keeping up a reserve. I certainly think, if legislation of this kind is to be obtained, the members of the association must take a more active interest before the Legislature and do everything in their power to get some legislation that will keep the trust companies from going outside of their proper and legitimate sphere. Now, the only way to remedy this is to get legislation that will hold the trust companies down to their legitimate business, and the members should be active.

PRESIDENT PIERSON: The committee in arranging for speakers at this meeting has gone into the British possessions and have invited one of the leading bankers in Canada to appear before us, and he has kindly consented. It gives me very great pleasure to introduce to the convention Mr. M. J. A. Prendergast, General Manager La Banque D'Hochelaga, Montreal, Canada.

NOTE ISSUES UNDER THE CANADIAN BANKING LAW.—ADDRESS OF M. J. A. PRENDERGAST, GENERAL MANAGER LA BANQUE D'HOCHELAGA, MONTREAL.

Mr. President—Having to address you in a language that is not my mother tongue, I confidently appeal to your indulgence, sure that it will be kindly extended to me and so I shall proceed. I must admit that in choosing the subject of these few remarks, I was to a certain extent influenced by a motive of national interest, that is, by a desire to dispel, if possible,

certain unfavorable impressions that might exist in your great republic concerning the value of our bank paper currency.

In Canada, American paper currency is readily accepted, for our people well know that its value is unquestionable.

The same cannot be said of our bank paper currency in the United States, and one must naturally suppose that the objection to accepting it arises from a fear that it might not always be worth its face value.

The inconvenience arising from this is particularly felt by Canadians travelling in the United States, and who, occasionally, in the haste of leaving, have not the sufficient time, or forget to provide themselves with American currency.

To go straight to the point, I beg to call your attention to the following provisions of Canadian law, upon the question of note issues, which I shall quote textually:

Section 51, Par. 1 of "the Bank Act" says:

Section 51, Par. 1.—Amount and denomination of bank notes:

The bank may issue and reissue notes payable to bearer on demand and intended for circulation; but no such note shall be for a sum less than five dollars, or for any sum which is not a multiple of five dollars, and the total amount of such notes, in circulation at any time, shall not exceed the amount of the unimpaired paid-up capital of the bank.

Section 51, Par. 3.—Penalties for excess of circulation:

If the total amount of the notes of the bank in circulation at any time exceeds the amount authorized by this section, the bank shall incur penalties as follows: If the amount of such excess is not over one thousand dollars, a penalty equal to the amount of such excess; if the amount of such excess is over one thousand dollars and is not over twenty thousand dollars, a penalty of one thousand dollars; if the amount of such excess is over twenty thousand dollars and is not over one hundred thousand dollars, a penalty of ten thousand dollars; if the amount of such excess is over one hundred thousand dollars and is not over two hundred thousand dollars, a penalty of fifty thousand dollars; and if the amount of such excess is over two hundred thousand dollars, a penalty of one hundred thousand dollars.

Section 51A, Par. 2.—Redemption:

The notes so issued shall be redeemable at par at any office or agency of the bank in the colony or possession in which they are issued for circulation, and not elsewhere, except as in this section specially provided; and the place of redemption of such notes shall be legibly printed or stamped across the face of each note so issued.

Section 51, Par. 4.—Total amount of circulation;

The amount of the notes at any time in circulation in any colony or possession, issued under the provisions of this section shall, at the rate of four dollars and eighty-six and two-thirds cents per pound sterling, form part of the total amount of the notes in circulation within the meaning of section 51 of this act, except as in this section otherwise specially provided, shall be subject to all the provisions of this act; but nothing herein contained shall enable the bank to increase the total amount of its notes in circulation in Canada and elsewhere beyond the limit fixed by the said section 51.

Section 52, Par. 1.—Pledging of notes prohibited:

The bank shall not pledge, assign, or hypothecate its notes; and no advance or loan made on the security of the notes of a bank shall be recoverable from the bank or its assets.

Section 52, Par. 2.—Penalty for pledging:

Every person who, being the President, Vice-President, director, principal partner "*en commandite*," General Manager, Cashier or other officer of the bank, pledges, assigns, or hypothecates, or authorizes, or is concerned in the pledge, assignment or hypothecation of the notes of the bank—and every person who accepts, receives or takes, or authorizes or is concerned in the acceptance or receipt or taking of such notes as a pledge, assignment or hypothecation, shall be liable to a fine of not less than four hundred dollars and not more than two thousand dollars, or to imprisonment for not more than two years, or to both.

Section 53, Par. 1.—Notes to be first charge on assets:

The payment of the notes issued or reissued by the bank and intended for circulation, and then in circulation, together with any interest paid or payable thereon as hereinafter provided, shall be the first charge upon the assets of the bank in case of its insolvency; and the payment of any amount due to the Government of Canada, in trust or otherwise, shall be the second charge upon such assets; and the payment of any amount due to the government of any of the Provinces, in trust or otherwise, shall be the third charge upon such assets.

Section 53, Par. 2.—Liability for penalties in case of insolvency:

The amount of any penalties for which the bank is liable shall not form a charge upon the assets of such bank, in case of its insolvency, until all other liabilities are paid.

Section 54, Par. 1.—Existing banks to make deposit with Minister of Finance equal to five per cent. of note circulation:

Every bank to which this act applies, and which is carrying on its business at the time when this act comes into force (July 1, 1891), shall, within fifteen days thereafter, pay to the

Minister of Finance and Receiver General a sum of money equal to two and one-half per cent. of the average amount of its notes in circulation during the twelve months next preceding the date of the coming into force of this act, or if such bank has not been in operation for twelve months, a sum of money equal to two and one-half per cent. of the average amount of its notes in circulation during the time it has been in operation; and each bank shall, within fifteen days from and after the first day of July, in the year one thousand eight hundred and ninety-two, pay to the Minister of Finance and Receiver General such further sum of money as is necessary to make the total amount so paid by each bank to be a sum equal to five per cent. of the average amount of its notes in circulation during the twelve months next preceding the date last mentioned—which sum shall be adjusted annually as hereinafter provided.

Section 54, Par. 7.—Notes of bank suspending payment to bear interest until redeemed:

In the event of the suspension by the bank of payment in specie or Dominion notes of any of its liabilities as they accrue, the notes of such bank, issued or reissued and intended for circulation, and then in circulation, shall bear interest at the rate of five per cent. per annum, from the day of such suspension to such day as is named by the directors, or by the liquidator, receiver, assignee or other proper official, for the payment thereof- of which day notice shall be given by advertisement for at least three days in a newspaper published in the place in which the head office of the bank is situate; but in case any notes presented for payment on or after any day named for payment thereof are not paid, all notes then unpaid and in circulation shall continue to bear interest to such further day as is named for payment thereof.

Section 54, Par. 8.—Payments from fund to be without regard to amount contributed:

All payments made from the said fund shall be without regard to the amount contributed thereto by the bank in respect of whose notes the payments are made; and in case the payments from the fund exceed the amount contributed by such bank to the fund, and all interest due or accruing due to such bank thereon, the other banks shall, on demand, make good to the fund the amount of such excess *pro rata* to the amount which each bank had or should have contributed to the fund at the time of the suspension of the bank in respect of whose notes the payments are made; and all amounts recovered and received by the Minister of Finance and Receiver General from the bank on whose account such payments were made shall, after the amount of such excess has been made good as aforesaid, be distributed among the banks contributing to make good such excess *pro rata* to the amount contributed by each: Provided always, that each of such other banks shall only be called upon to make good to the said fund its share of such excess, in payments not exceeding in any one year one per cent. of the average amount of its notes in circulation—such circulation to be ascertained in such manner as the Minister of Finance and Receiver General decides; and his decision shall be final.

Section 89.—Insolvency.

In the event of the property and assets of the bank being insufficient to pay its debts and liabilities, each shareholder of the bank shall be liable for the deficiency to an amount equal to the par value of the shares held by him, in addition to any amount not paid upon such shares.

Having established, I hope, that our bank circulation notes can be taken without danger to the holder, I might venture to say a word about the advantages resulting from our system of notes issues, in a comparatively new but enterprising country where capital is not yet sufficient for the increasing volume of business.

The currency thus provided expands and contracts, as we have just seen according to the necessity of the moment, that is, it expands when the products of Canada are being moved, and it contracts when this is effected.

A few figures taken from Government returns and published by the "Insurance and Financial Chronicle" on June 24 last, tend to show that under our present system of banking, of which note issues are one of the main features, Canada has enjoyed a fair degree of prosperity.

	1868.	*1903.*
Population	3,400,000	5,600,000
Revenue	$13,687,900	$66,037,068
Imports	73,459,600	241,214,900
Exports	57,567,800	226,153,400
Total foreign trade	131,027,400	467,368,300
Railways in operation (miles)	2,269	18,868
Earnings	$12,116,716	$83,666,502
CHARTERED BANKS.		
Capital paid up	$30,289,048	$78,801,319
Circulation	9,350,646	57,857,174

	1868.	*1903.*
Deposits	$33,653,594	$454,365,900
Discounts	52,299,050	428,446,590
Assets	79,860,976	684,879,573
Post Office Savings Bank Department	204.588	44,255,326
Other Savings banks	4,853,000	39,000,000
Total deposits	38,711,182	537,621,226
Letters and cards posted	18,100,000	276,059,000
Postal revenue, net	808,857	4,866,127
Deposits per head	11.30	96.00

I might add that branch banking, by which poor localities are furnished with the surplus capital which older ones cannot otherwise invest, could not have thrived and developed Canada as it has done, but for the privilege of note-issuing granted by our legislation.

The question of note-issues is so intimately linked with our general system of banking that I have been led into broader fields from which I will hasten to retreat. My case reminds me of that of a timid preacher who, forced to ascend the pulpit, got out of the difficulty by saying that not having had sufficient time to prepare a sermon worthy of his distinguished congregation, he would instead read a chapter of St. John which was worth infinitely more than all the sermons that he, the preacher, could ever make.

Apologizing for my shortcomings on the subject, I will likewise beg to refer you for the question of note-issues and for Canadian banking in general to a most remarkable work entitled: "The Canadian Banking System – 1817–1890, by Roeliff Morton Breckenridge, Ph. D. Submitted in partial fulfillment of the requirements for the Degree of Doctor of Philosophy, in the University Faculty of Political Science, Columbia College, New York."

In Chapter X, end of section 57, the author says:

"To the holder of the Canadian bank note, therefore, it is a matter of indifference whence or when it was issued. The paper of the smallest bank is as good as that of the greatest. At all times, in every part of Canada, and under any circumstances, the note is not only worth its face value but will also be received at that by any bank. Security and convertibility are the great and really only merits of the National bank note currency. The Canadian paper has these, and it has besides, the invaluable quality of elasticity."

The following are his concluding remarks which I would not undertake to discuss, but which I merely quote as the summary of a paper worthy of perusal:

"Further details belong to the technique of banking practice or to the minutiae of banking law. How far the principles on which the Canadian banks are organized, by which they are regulated and according to which they are managed, are of general application, is a question to be decided as the banking system conforms to the general economic tests. How the Canadian banks economize capital; how they utilize and distribute it; what is the security, convertibility and elasticity of the circulating medium they supply; how thoroughly are their creditors protected against loss; how low and how nearly equal are the rates of interest in different parts of the country; how cheaply are other banking services sold; how easy of access are banking facilities; what support have worthy customers in critical times, and how far does the system promote the stability of commercial confidence; these are the questions to which, perhaps, this chapter forms an answer. According to the true response, the merits of the Canadian banking system must be judged. If the present answer be sufficient, the reader may draw his own conclusions."

PRESIDENT PIERSON: While we have Mr. Prendergast here we ought to be able to learn several items of interest regarding the Canadian system of banking. Some questions have occurred to me that I would like to ask him. One is whether they pay interest on deposits; then I would like to ask him whether they have the volume of checks, commercial and personal, in circulation in Canada that we have here in the States; also whether that may not in his country be a means of using more bank note issues that would naturally rise and fall as our personal checks here rise and fall. Perhaps there are other questions which suggest themselves to our members that Mr. Prendergast would reply to.

MR. PRENDERGAST: I must say that it has been the constant aim of the Canadian Bankers' Association for at least twenty years to gradually reduce the rate of interest on deposits. We have only lately signed an agreement by which no more than three per cent. will be paid on commercial deposits, or even upon taxable receipts. When we first tried to reduce the rate as much as 4½ per cent. was paid, but we

have succeeded in bringing the rate down to three per cent., and I think I may say that thirty out of the thirty-three chartered banks are paying this on the minimum monthly balance, which is equal to about 2½ per cent. I find that three per cent. on the minimum monthly balance on the total of our savings department deposits is equal to 2½ per cent.

PRESIDENT PIERSON: How would that figure on your commercial interest?

Mr. PRENDERGAST: We do not pay any interest on commercial deposits. It took us at least twenty years to reach that result, however.

PRESIDENT PIERSON: Have you the trust company situation in Canada that the banks in this country have to meet?

Mr. PRENDERGAST: That situation is not equal to your situation here. There are only a couple of trust companies in the city of Montreal, and I must say that they do not compete with the banks in the field of deposits at all.

A MEMBER: What tax do your banks pay on circulating notes?

Mr. PRENDERGAST: We pay no tax whatever to the Government on our circulating notes. We would pay penalties if we exceeded the amount allowed by the Government. We merely have to leave in the hands of the Government a fund equal to five per cent. of the maximum circulation, and this amount bears interest at the rate of three per cent.

Mr. KILBURN: That five per cent. of your maximum circulation is, I suppose, for the purpose of redeeming the circulation of any failed bank?

Mr. PRENDERGAST: Yes, sir; and the Government pays us three per cent. on that deposit.

Mr. BREWSTER: At what rate is your bank stock taxed?

Mr. PRENDERGAST: Our bank stock is not taxed. The Government levies a business tax on personal property. The real estate is taxed by our municipalities, but there is no tax upon the bank capital.

PRESIDENT PIERSON: The convention will now adjourn until to-morrow morning at 10 o'clock.

SECOND DAY'S PROCEEDINGS.

PRESIDENT PIERSON: I believe the only special committee which is to report is the bank money order committee, of which F. E. Lyford is to make the report.

REPORT OF BANK MONEY ORDER COMMITTEE.

Mr. LYFORD: Mr. President and Gentlemen—The report is as follows:

Your bank money order committee held one meeting soon after last year's convention and formulated a plan which it was decided to hold over pending action of the American Bankers' Association Convention at San Francisco, upon a resolution there introduced by the chairman of your committee, providing for a committee to work out the problem for that association, and acting upon your instructions, your representatives at San Francisco, working with those from other States, were highly successful in securing the adoption of this resolution, and the committee resulting has formulated a plan which was unanimously adopted by the executive council of the American Bankers' Association in April.

This plan, which will soon be in operation, provides that any member of the association can purchase from a surety company at not over $5.00 per thousand, uniform blanks, styled "American Bankers' Association Money Orders," have printed on the same their own name as the drawing bank, and as the paying bank the name of their correspondent in either Chicago, New York, Boston, Philadelphia, Baltimore or St. Louis. These blanks will be limited in amount to $100, numbered and furnished in pads, and for a premium which is included in the price, the surety company will place on each blank an absolute guarantee of payment in case of default by the paying or drawing bank, and further agrees to furnish free of further cost, proper advertising matter, and to do all in its power to supplement the banks' individual efforts to create a demand for the orders. Each bank, in its application, will agree to honor the orders of other banks at par, and in issuing orders under uniform rates, all of which they retain, need not inaugurate any new records or entries than those in use in selling its bank

drafts, nor need its correspondents treat the items in any manner different from bank drafts, the orders in fact being nothing but bank drafts circulating at par under another name and with a guarantee.

In submitting this report your committee earnestly recommends that the members of this association use every endeavor to secure the success of the plan, which can best be done by immediately ordering a supply and pushing the sale of the orders. Co-operation will thus quickly make them known to the individual benefit of every bank.

The report was received and placed on file.

PRESIDENT PIERSON: Is there anything further from the committee?

MR. LYFORD: I am directed by the committee to offer the following resolution:

Resolved, That the New York State Bankers' Association heartily endorses the plan formulated by the committee of the American Bankers' Association for the issuing of bank money orders; and the secretary of this association is hereby directed to notify all members of such action, and to urge them to obtain and issue the orders as soon as it is possible to secure the necessary blanks, calling their attention to the convenience, as well as profit, of such action, and the necessity of their co-operation to make the plan successful.

The resolution was seconded and adopted.

PRESIDENT PIERSON: I believe there is a report to be submitted by the committee on fidelity insurance, which I will ask the secretary to read.

REPORT OF COMMITTEE ON FIDELITY INSURANCE.

SECRETARY ELDREDGE: The report of the committee has been forwarded to me and is as follows:

As your committee appointed to examine into the question of fidelity insurance at the last annual meeting of your association, we beg herewith to report as follows:

Several State bankers' associations have taken up this question, and by concerted action they have accomplished the following results:

First.—A reduction in rates charged by insurance companies.

Second.—The adoption of a more uniform policy of indemnity.

Third.—The introduction, more generally, of indemnity bonds.

The Missouri Bankers' Association has perhaps accomplished more for its members than any other State association.

I am informed that the saving to their members is from twenty-five to 37½ per cent. on indemnity insurance and on burglary insurance about fifty per cent.

The secretary of the said bankers association has been designated by the insurance companies doing business for that State as their agent. His commissions have been turned into the treasury of the association and have accumulated a fund of some $15,000 up to this time, which is used as a protective fund to their members.

The results accomplished, we believe, warrant a full investigation by this association, not only of the rates charged, but of the policies issued, and we would recommend first, that the secretary of this association be authorized and requested to take up the matter of insurance with the various indemnity insurance companies doing business in this State with a view to having reduced the rates charged, at the same time securing to this association the most complete protection in the form of policies issued, and to this end that he be authorized to employ the services of an attorney for the association.

We also recommend that the policies written for the members of this association be written through the secretary of this association and that, if possible, an arrangement be made with the company with whom this business is placed that the regular agent's commission be paid our secretary, which fund shall be turned into the treasury of the association for disbursement as may be deemed wisest.

On motion the report was received and placed on file.

The report of the auditing committee was then read and adopted, also some congratulatory telegrams were read and sent.

PRESIDENT PIERSON: I think it would be proper at this time to take up the various recommendations contained in the report of the council of administration. The first, as I remember it, was that the convention endorse the work now being done by the American Institute of Bank Clerks. Has any member any motion to make on that?

A MEMBER: I have attended a number of the meetings of the institute in New

York, and I must say that the organization is doing an excellent work in the upbuilding of better banking principles among young men, and it is entitled to the hearty co-operation of all bankers, not only in this State, but elsewhere.

I move that the association heartily approve of the work that is being carried on be the American Institute of Bank Clerks and recommend that the members of the association call attention to the work more generally. I think every bank clerk in the State should be advised of the benefits to be derived from joining the institute.

PRESIDENT PIERSON: Wouldn't it be a good plan to have the secretary's office used for that purpose, that is, calling the attention of the members from time to time to the work being done by the institute and asking members to take the matter up with their clerks.

This suggestion was incorporated in the motion, which was then carried.

PRESIDENT PIERSON: The next recommendation of the council was regarding the clean money bill introduced at the last session of Congress, which provides that in the redemption of unfit circulating currency, the expressage on it shall be paid both ways by the Government, and I believe it was suggested that the matter be brought to the attention of the American Bankers' Association and that they be asked to urge the passage of the bill. What is your pleasure in regard to this recommendation?

MR. LYFORD: I move that the subject be brought to the attention of the American Bankers' Association through our secretary and that they be asked to use their best endeavors for the passage of such a bill.

The motion was seconded and carried.

PRESIDENT PIERSON: There was another recommendation on the Bankruptcy Law, and the council suggested that the proper place to go to work on that would be through the American Bankers' Association.

D. J. SMITH: I would move that this convention refer the matter to the American Bankers' Association, asking them to study the subject, and then if in their judgment they deem it advisable to have the law changed in any respect, to go ahead and endeavor to accomplish that result.

The motion was seconded and carried.

PRESIDENT PIERSON: There was a resolution offered in the council by Mr. Hiram R. Smith, which was favorably received and recommended by the council to this convention for adoption. It reads. (This resolution is published on a preceding page.)

On motion the resolution was adopted.

PRESIDENT PIERSON: It has been recommended that the dues be paid in May instead of October, so that the association will have fuuds in hand instead of being in debt, as I believe has been usual.

The motion was seconded and carried.

PRESIDENT PIERSON: The council also voted to request the legislative committee of this association to endeavor to secure a change in the tax laws so that real estate held by banks shall be deducted from their assessments.

H. CRANDELL: Does that include trust companies?

PRESIDENT PIERSON: Yes.

J. B. SMITH: The committee of this association which procured the passage of the bill last winter went over this matter very thoroughly, and went over it with a committee of the Legislature. It was a radical proposition before the Legislature that the tax on personal property should be reduced from the tax rate, which will average from 2 and 2½ per cent. to 1 per cent., and there was very strong opposition to it in the Legislature. The Governor of the State did not seem to think it was just a fair proposition. What we succeeded in getting passed was a compromise measure, and we all know that that law has been one of the most wise provisions

that ever passed the Legislature. Now, as I presume many of you know, the feeling in the Legislature is perhaps not as cordial toward banks as it might be, and it strikes me that it is not wise to revive this matter. I think the banks are in a fair position. It seems to me unwise that this matter should be again stirred up or brought before the Legislature.

PRESIDENT PIERSON: Are there any further remarks on this recommendation of the council that the legislative committee endeavor to secure a modification of the tax law permitting the deduction of real estate and the assessment of one per cent. now made on bank stock?

Mr. CRANDELL: If it is in order, I move that the recommendation be laid on the table.

The motion was seconded and carried.

PRESIDENT PIERSON: There are two other recommendations from the council. One is on the O'Neill Bill, and the other is on the payment of interest to depositors. I think we might hold those over until after the addresses that are scheduled to take place this morning have been delivered.

We have with us to-day a banker who is well known throughout the country, and who was last year elected chairman of the executive council of the American Bankers' Association. Throughout the West, the Middle West and the far West he has long been recognized as an authority on practical work in banking associations, and he has come all the way to Lake Champlain to favor us with an address upon this topic. I introduce Mr. John L. Hamilton.

PRACTICAL WORK OF BANKING ASSOCIATIONS.—ADDRESS OF JOHN L. HAMILTON, CHAIRMAN EXECUTIVE COUNCIL AMERICAN BANKERS' ASSOCIATION.

The work of an association can only be practical and successful to the extent that your organization is perfected. The perfection of your organization depends upon the men you select as your officers, your members of the council, the care in the selection of your various committees and in the support of your officers and committees by the banks members of the association.

The best organization is that which is most nearly complete in every Senatorial and Congressional district in the State. How this is to be done depends somewhat upon the geographical location of your principal cities and banks in the State. In some States, as you have here, it is practical to form groups; and such groups can, by working in accord with the parent or State association, accomplish a great deal for the banks of the State.

In some States like Illinois it is not practical to form groups, but we accomplish the same results through our district vice-presidents, the thirty members of the executive council and the different committees appointed to carry on the work, and this plan has been successful. We have for years had the largest membership of any State association in the United States and our membership now is about 1,000.

The successful association is the one that recognizes the men who are willing to put their shoulders to the wheel and do the work, and the association that does not succeed is the one which is constantly trying to honor some men with its best offices who are so stuck on themselves that they do not deign to honor the association by their presence at its meetings. To elect such men to your best position, or to put them upon your principal committees, is like a young lady marrying a young man to reform him. In both cases nine times out of ten the experiment will prove a dismal failure. There is but one safe course, and that is to bestow your affections upon those who are worthy and those who will appreciate them.

There are bankers in every State who claim to believe that there is nothing more to a State association than a social gathering once a year at some delightful place, and they do not propose to belong simply to keep up such an organization. These people seldom attend a convention, and if they chance to do so they usually attempt to make good the amount of their dues at a banquet or in consuming all the free beverages they can get, and usually go home with a bad case of indigestion or the effects of too copious imbibing and then condemn the meetings on account of their own indiscretion.

I have never attended a meeting of a bankers' association in any State that has not been a benefit to me. They are pleasant socially and no man can be other than benefited by them if he has any sociability about him. There is no place that I know of where one can get as many practical suggestions that will be of benefit in the future as at an association meeting.

The annual meeting of an association is an important one and while it may seem to be purely a social affair, yet it means more, and to those who take an interest in its work means a summing up of the work of the committees, the consideration of the difficulties that the association is likely to have to meet during the coming year and the suggestions for the advancement of financial interests. The convention is usually a meeting time for the members of the committee to reconsider their work, and no one knows, save those who have served upon important committees, the cares they have, the thought and the time it has taken to make the work of the committee and of the association a success and it is an important time for a comparison of notes and getting an expression of the members of the association.

The members of the committees of an association are its most important workers. Just what committees you should have depends largely upon the local conditions and upon the questions that are constantly coming up for consideration. Every State association should keep abreast of the times by having its committees to study these new and important questions.

I firmly believe that every banker should take an interest in State and national politics to the extent that we have safe financial and commercial legislation, and see to it that such laws are enacted that will eventually take the money question out of politics. This can be done by the bankers taking an interest in politics and seeing to it that the proper men are elected to office. The bankers have been urging such legislation as would be for the best interests of this nation, yet their appeals have been discredited by our Congressional representatives, and we can only hope for reforms when the bankers unite and see to it that proper men are elected as their representatives.

There is one committee that I think every State association, and the national association as well, should have and that is a legislative committee whose duty it should be to look after all legislation affecting the banking interests in the State or nation and to whom should be referred all such measures. This committee should outline the plan of action to be followed by the members of the association on each measure, as the different bills usually require different methods, and the members should respond promptly to the suggestions of the committee.

I may be partial to such a committee, having served on one for years. We have done much more for the bankers of our State than they will or can ever know. The legislative committee should be made up of men in whom all the members of your association, as well as the public, have confidence.

The members of this committee should be men who are not prejudiced in favor of any one class of banks and who will see to it that all the different kinds of banks have equal protection. The jealousies of the different classes of banks and the efforts of each class to secure such legislation as will be to their benefit and to the detriment of others constitute one of the greatest difficulties with which a committee has to contend, and it is one of the greatest difficulties in the way of accomplishing practical results. This should not be, and if bankers ever expect to succeed they must work for a common cause and recognize the rights of others to exist. There is not a vast difference between the different kinds of banking institutions. They all have their advantages and their disadvantages, yet the different kinds are essential to the public good. There are good and bad banks in every class and if we are honest we will have to admit that the percentage of bad ones is about equal in all.

When I hear a banker condemning another kind of bank than the one in which he is interested, I am reminded of the old saying that you are safe in judging a newcomer to your town by asking him what kind of neighbors he had where he came from and see whether he speaks good or ill of them. This committee should not be of more than three persons, selected from different political parties, and not more than one of them from a large city. The committee should have the right to increase its membership should they wish to do so. The committee should select its own chairman and add such members as seem beneficial without reference to the executive council or anyone else.

A small committee is more effective than a large one, as in case of a meeting it is not so noticeable. The chairman should always be in sympathy with the party in power. The other members are necessary so as to be in touch with the minority. The good-will of the minority is important so as to avoid the liability of measures you are interested in becoming party measures.

A majority of this committee, if not all of the members, should be from the country, as a majority of your representatives are from the country and any measure coming from or supported by a committee from a large city is usually looked upon with suspicion by the country representatives. Yet if it has the support of the country bankers, even though it is a city measure, there is more chance of its passage. The country bankers are better acquainted with the members of the House and Senate from their districts generally than are the bankers from the large cities, and consequently have more influence with them.

The committee should have the right to increase its number and decrease it again, if they wish to do so, for the reason that sometimes emergencies arise where it is necessary that some

banker of a certain district should serve, and his influence is greater if he can say to his friends that he represents the bankers' association of his State.

The members of this committee should carefully consider the rules governing the House and Senate and be prepared at all times to prompt their friends as to the proper course to be pursued to further or defeat a measure.

The committee should bear in mind that the great majority of men are honest and that a majority of the House and Senate are honest and anxious to do that which is best. The dishonest members are always in the minority, but are usually organized and are able to defeat the unorganized majority who are honest.

We do not treat our representatives fairly. We elect a farmer or lawyer as our representative and then expect him to pass good laws on banking or physics or other subjects with which he is entirely unfamiliar and condemn him should he make a mistake, when the fault really lies with his constituents in not advising with him as to the different bills in which they are interested and pointing out the good and bad qualities of each. We have always found that the representatives are anxious to do what their constituents wish, and in urging the passage or defeat of a measure, we aim to get the banks in each senatorial district to take it up with their representatives, as the latter are suspicious of lobbies but do have confidence in the people with whom they are acquainted.

It is important that your committee on legislation should watch carefully the bills that have been introduced affecting their interests and to learn to what committee they have been referred, ascertaining if possible when the committee will meet and give parties a hearing. It is important that you have the best men present to discuss the measures before the committee, as it is the only opportunity an outsider has to address the body. In addition the arguments used are quite often used by your friends upon the floor, as it rests with them entirely, after the committee have reported a measure, as to whether or not the bill shall succeed.

As soon as the elections are over and verified our committee writes to every banker in the association, asking him to give the names of their Senators and Representatives, to what political party they belong, whether interested as stockholders in banks, what bank they do their business with, whether they would be likely to favor legislation adverse to the bankers' interests and most particularly whether or not they can be absolutely relied upon.

There is other practical work for an association to do in the consideration of the question of fidelity bonds, on which subject there has been a great deal written during the past five or six years and which is being carefully considered by the American Bankers' Association as well as many of the State associations. Burglary insurance is another question that is being seriously considered by the members of the association, especially in the smaller places where they are constantly in danger of such attacks. The bankers' money order to compete with express and post office orders is being considered by many of the State associations and by the American Bankers' Association as well. The latter has appointed a strong committee to prepare and put in operation a practical plan for this work and the committee expects to have these orders so that they can be had by members of the association within a very short time.

There are many other questions that might be mentioned or discussed, but I have dwelt more particularly upon the legislative committee for the reason that a great many State Legislatures meet during the early part of the coming year and it is important that the methods of looking after this business be carefully considered and practical plans put in operation.

PRESIDENT PIERSON: Mr. Hartman Baker, Cashier of the Merchants' National Bank of Philadelphia, has favored us with his presence, and I am sure we shall all be very much edified in hearing from him. Gentlemen, it affords me much pleasure to introduce to you Mr. Baker.

NEW YORK AND PENNSYLVANIA.—ADDRESS OF HARTMAN BAKER, CASHIER MERCHANTS' NATIONAL BANK, PHILADELPHIA.

Mr. President, Ladies and Gentlemen—It is a fundamental law of creation that among all living beings that form themselves into communities, each such community must have a leader. This law extends universally from the smallest to the greatest.

A few days ago I saw a regiment of tiny ants moving across the lawn in perfect order, two by two, each carrying a grain of rice. They were marching straight as an arrow toward a given point, and in the lead one ant bearing his burden as all leaders must and do—he was a pioneer, his little brain by unerring instinct sought and found the direct way. Curious to see the result, I lifted the little fellow up, and in an instant all was confusion—a scattered host looking for its leader. This law extends upward through the human race and beyond the stars to Gabriel, the Archangel, leading the heavenly host.

Before the Revolution, which resulted in the formation of this great nation, the public mind wrought to highest pitch of indignation against the mother country—the public soul stirring with the newborn spirit of freedom, might have reached the climax of thought and feeling and then lapsed into servile consent to the old order of things had not the Almighty given the leader. Oh, that speech of Patrick Henry - that timely, eloquent speech on the banks of the James!

No telegraph in those days; slow and painful communication between the infant colonies over forest and mountain, but those words, "Give me Liberty or give me Death"—those burning words, kindled the light of a new Star of Bethlehem, instantly seen and known by the colonies, among whom was then born the liberty of these United States, a savior among the nations of the earth.

Looking backward to-day, we see the leading State, Virginia—Virginia, glorious among her glorious sister States. On her sacred soil was the first Anglo-Saxon settlement in this now Anglo-Saxon Empire - Jamestown. On her soil Great Britain laid down her arms, at Yorktown - and among her sons—Patrick Henry, Richard Henry Lee, Thomas Jefferson and chief among them all, George Washington, the leader.

Eleven days ago, counting backward, one hundred and thirty-eight years, one voice—the voice of a bell was heard—the voice of dear Old Liberty Bell. Eleven days ago, not the voice of the now silent bell, but of a mighty nation from latitude 50 on the north to 25 on the south, from longitude 65 east to 125 west, the voice of a nation proclaiming liberty to the earth and to the inhabitants thereof—a voice which when it says to the nations of the earth "Go," they go, "Come," and they come—the voice of the dominant branch of the Anglo-Saxon race. The sound was as the sound of many waters—as the voice of God. Does the law of leadership obtain now among the States? It that lawful responsiblity resting upon the shoulders of any one among these glorious Empire States? Surely, Surely!

In each of these States the majority of human hearts beat with high resolve and pure patriotism. The citizens of one State uphold the same high standard, but in larger numbers—that is the leading State.

In each State there are splendid cities, but in one State is the metropolis among the cities of the Union—the emperor of cities, slowly but surely ascending the throne as empire city of the world. The State owning that city is the leader among these States.

From printing presses in all these States proceed many daily papers, magazines, periodicals—moulding and controlling public sentiment; from one State issues the greatest number of these white-winged messengers—that State is the leading State.

In all the States there are noble banks, trust companies and other fiduciary institutions managed with wonderful skill and stern integrity, pulsing with great throbs the golden blood of trade and industry—but one State is as the great heart itself, strong and vigorous—the Croesus of a State; and that State is the leading State. Well is she called the Empire State—right well does the royal title become this great New York.

Right fitting it was that Virginia's son, George Washington, should have been President of the United States. Right fitting it is to-day that Theodore Roosevelt, New York's honored and most honorable son should be the uncrowned King of this Great Republic. Gentlemen, it was no chance accident by which that prophetic inscription was cast upon Old Liberty Bell, nor was it by chance that down yonder in New York Bay Bartholdi's Statute of Liberty holds its torch aloft to the nations of the earth.

Not far from this charming spot, towering among the fair Adirondacks, stands Mount Marcy, the highest of them all, but Mount Marcy has a noble neighbor almost as high, Mount McIntire, the two dominating the rest. Citizens of New York, your State has a neighbor, mighty Pennsylvania. Is your population the largest? Eliminate two of your inland cities and Pennsylvania's hosts equal yours. Do you publish more periodicals? Eliminate those unworthy and Pennsylvania equals yours almost. Your splendid railroad must give right of way to the great Pennsylvania road, and the two would girdle the planet.

In population must I place next to New York city splendid Chicago, and not Philadelphia? The census taker says I must, but eliminate the dependent and useless from both, then God only knows which stands first, and Philadelphia, the City of Homes, rests content. Philadelphia rests tranquil and content in all things, even with the timeworn threadbare New York joke about herself, that joke you received from your forefathers and which you will bequeath to your children and children's children, that joke destined to an unholy immortality—"Slow Philadelphia." The Holy Book says that the Jews used to say and sing and pray and dream "How long, Oh Lord, How Long." The New Yorker still says and sings and prints and dreams, "So slow Philadelphia, so slow." Surely, if the Lord has patience with the Jews, Philadelphia can be patient with New York.

Philadelphia slow? So is the harvest, keeping pace as it comes with the dignity of the earth, which no ingenuity of man can hasten, but no man can refuse his lips bread and live.

Slow Pennsylvania? From her comes the coal that speeds your ocean greyhounds across the seas.

Slow Pennsylvania? From her sleeping hills comes the iron of which your business palaces swiftly rise as from the touch of Aladdin's Genii.

New York and Pennsylvania! Surely, when I place the kingly laurel of leadership upon the brow of New York, she in turn will accept with grace and love Pennsylvania as Queen Consort. Neighbors, we are friends—no bitterness, no strife, no unfriendly rivalry between us.

And now bankers of New York, what place do you and all your tribe hold in this commercial age of the world? With perfect deliberation, without fear of contradiction, I again remind you of the universal law of leadership, for the banker does lead. In war the banker and his bank are behind the man behind the gun. In peace, the banker and the bank are as sunlight upon the smiling fields, and his benediction is upon the happy home—the foundation upon which stands school and college, mill and mine.

Upon the bankers of New York and Pennsylvania and the other States, each in its degree, rests largely the future of this mighty nation. Gold will buy bread—yes, and damnation also. Gold can combine to build up, yes, and with selfish, merciless hands, tear down.

I am here by your courtesy. I have no right that your patience does not give. I cannot offer a resolution, but I can plant a seed thought. The time will come, may have come, when the banks of New York and Pennsylvania must come closer together, as did the patriot colonies, in joint convention assembled, or by other means, throwing the combined weight of their experience and power against that which is unjust upon our statute books and unwise among ourselves. As New York and Pennsylvania banks wisely lead, so will others follow. It behooves us to be up and doing. Let the banks of the two States present a solid front to the politicians, in State and nation, and insist upon the repeal of unwise financial laws, and the enactment of new statutes, clean and wise and statesmanlike in matters financial. Let us turn the bunglers, injurious and irresponsible, out and put the honest and financial expert in. Let us jointly agree among ourselves as to which is just and right with regard to the "country check" question. The country check, that great circulating medium of many colors and myriad signatures, that circulating medium that has come to stay, that circulating medium which is beyond government control but not beyond ours.

The "interest on deposit" question has also come to stay. We must be just to depositors, rendering them their due and at the same time repudiate the action of banks that with suicidal hands impose an excessive tax upon themselves and others. Is it not a fact that these problems do exist? Surely, the bankers of New York and Pennsylvania (I couple them together in all this because such a union has more than double force) are patriotic enough, and wise enough, and brave enough, to take them up as tasks for leaders to accept and accomplish.

Gentlemen of the New York State Bankers' Association, I am sure it would be presumption for me to give you advice, but I feel free to say a word of encouragement, particularly to those of you who do business in the smaller cities and towns. The "smallness," if I may coin the word, is only a matter of population; the man, the opportunity, the result, is not much dependent upon the census taker, indeed the reverse seems true. Many men chosen by the nation in the past as worthy to wear the highest title among men, President of the United States, have been born and trained in places numerically small. The opportunity is not measured by the town; it is measured by the man. In both city and country banks our daily routine duties are a sacred trust. They should have, and do receive best attention; but should we not, all of us, look to larger things as well, in State and country? Should we not in New York and Pennsylvania (indeed I think we do) prove to the world that the banker is not narrow, close and selfish, but broad, liberal and generous minded, the effective well-rounded citizen—the well-equipped resolute leader each in his place here in this Great Republic?

Gentlemen of the New York Bankers' Association, the great heart of the banking world in Pennsylvania beats close against yours. We are only separated by an imaginary line dividing the States. Our interests are common, our troubles are common, our problems are the same. We hold daily intercourse with each other by the mail, telephone and personal visitation. We are not frozen together with keen business competition, but fused together by mutual liking and respect. Our more closely united energies would mean much to ourselves, much to our States, much to the nation, much to the world.

PRESIDENT PIERSON: We have with us Mr. R. Ross Appleton, President of the Fourteenth Street Bank, of New York city, who will address us on "Financial Legislation."

FINANCIAL LEGISLATION.—ADDRESS OF R. ROSS APPLETON, PRESIDENT FOURTEENTH STREET BANK, NEW YORK CITY.

The subject assigned to me—"Financial Legislation"—is neither poetic nor pleasing, but essentially practical in every respect. If the chairman had asked me to expatiate upon the

beautiful scenery everywhere surrounding Bluff Point, or requested me to express for the members of the State Bankers' Association the gratitude that they, I am sure, all feel towards our host for his courteous and graceful attention, I would have had a subject most pleasing to all.

"Financial Legislation"—this should have been referred to one who has been in the Legislature; but those of you who have had experience at Albany will appreciate my position, and therefore not expect much upon the subject assigned to me. Much, however, can be accomplished along the line of financial legislation if the bankers of the State of New York first determine what is most needed, and then unitedly set to work to secure it.

Our banking laws were framed many years ago, and have been remade and patched, over and over, until we scarcely recognize the original garment. Each patch, however, has been added to the original as weak spots have appeared, always with the view to making the garment suitable and practical as the needs of the business have developed. In every case, amendments to the general laws have been passed by the Legislature to meet some new condition that has arisen as the banking business of the State has advanced. Laws are nothing more than rules that have become statutory, through legislative enactment for the regulation of business. Therefore any change in the banking laws that bankers desire for the better conduct of this business should first be agreed upon by the bankers themselves--who are supposed to know what is most needed—and then presented to the Legislature for enactment into law. First determine what amendments should be made, present each amendment to the various groups for consideration and adoption, then approve it at your annual State convention and send a committee to Albany with instructions to present the measure to the Legislature, with the endorsement of this body, and you will be able to secure any change in the laws that you may desire.

At every session of the Legislature a number of fatherless bills amending the banking laws are introduced. These bills either sleep out the session in committee, or meet an untimely death upon the floor of the house, by reason of the fact that they have no organized association or influence behind them, be their purport ever so meritorious. I hope, therefore, in future, that all measures for the amendment of our banking laws shall first receive the approval of this association before introduction to the Legislature. It is in this association that all matters should be discussed, and an agreement reached upon any particular condition that may need to be readjusted.

Last winter an amendment to the banking laws was introduced by Mr. O'Neill, requiring trust companies to make quarterly reports to the Superintendent of Banks, and also placing trust companies under the same regulations imposed upon State banks in regard to "call reports"—*i. e.*, a report of the condition of the trust company at some time in the past, instead of its condition (easily arranged) at some future date, as is now the law. The bill was introduced too late in the session to hope for its passage, but even then it would have gone through if there had been sufficient time to secure its endorsement by the State Bankers' Association. Substantially every banker in the State was in favor of it, and at the meetings of the various groups since the adjournment of the Legislature, the bill has been endorsed without a dissenting vote. The council of administration of the New York State Bankers' Association, at a meeting held at the clearing-house in New York city May 19, 1904, also endorsed the O'Neill bill, and recommended the passage of it to this association. It will therefore be my pleasure to present the same resolution here for final action, and I have no doubt it will receive the unanimous vote of this convention.

The provision of the O'Neill bill, copies of which will be found in your seats, is certainly a step in the right direction, and will in itself, in a great measure, solve the question of reserves that is now causing so much discussion among the bankers and trust company officials throughout the State. If trust companies are required to make quarterly reports and be subject to "call" without notice, showing their condition at some date in the past, they will surely maintain a reserve sufficiently large to make a good showing to the public in their published statements. As the law now stands, trust companies report to the Superintendent of Banks twice a year. Given ample notice, it is an easy matter to make a good showing; and our friends in the trust companies never fail to take advantage of the opportunity. I do not criticise the practice of piling up cash deposits for their semi-annual exhibit, if they would continue to keep the money on display. But it would be interesting to take a peep into their vaults a week or ten days after their reports are issued. By that time, most of their cash, as per statement, has suddenly become an active asset and gone out into the market to "earn its keep," either into banks where interest is paid, or into loans at the market rates.

It is not fair to impose upon banks rigid restrictions and yet allow trust companies to do a straight banking business, without being subject to any of the conditions laid upon banks. We ask no favors, but demand equal rights for all. We denounce class legislation as being most pernicious, and shall insist upon an adjustment of our banking laws until all institutions are placed upon an equitable basis.

I am sure that if a resolution were introduced here recommending that trust companies

be required to maintain the same cash reserve that must be kept by banks, it would receive hearty approval; and I hope that such action will be taken before the adjournment of this convention. To that end, I have investigated the subject thoroughly, and find that in nearly every State in the Union the banking laws are being amended, placing financial institutions upon a more equal footing in relation to reserves and reports to the Superintendent of Banks.

The delegates here will be interested in a letter sent out by one of the trust companies of New York city, which reads as follows:

NEW YORK, May 6, 1904.

DEAR SIR:—We are pleased to confirm the invitation of your account to the Blank Trust Company and the proposal made you by our Mr. Blank.

We will collect, without charge and credit at once, your out-of-town checks, etc., upon which you now pay exchange amounting to about $150 per annum, if you will maintain with us an average free balance of $1,500.

(Note this is in direct conflict with the clearing-house regulations.)

Upon your daily balances in excess of the sum named, we will allow you interest at the rate of two per cent. up to $10,000, and two and one-half per cent. on the excess. Special rates upon large balances or upon special deposits.

(Now note the following paragraph.)

Doing a general banking business under the laws of the State of New York, we can place at your disposal every facility of a well-equipped and modern banking institution, and subject to agreement between us, meet your requirements in the same way as they are met by your present banks.

We trust your consideration of this proposal will result in an early decision to favor us with at least a portion of your business. Such further information as you may desire will be promptly furnished, and we shall be pleased to see you here at any time. We await your kind favor in response.

Very truly yours,

JOHN BLANK, *Vice-President.*

With such letters as that sent broadcast in New York city, is it any wonder that we should demand that trust companies be placed upon an even footing with banks? You are all familiar with the attempt made by the clearing-house to require the trust companies so maintain a reserve, and of its dismal failure. You also know what followed—nearly all the companies have withdrawn from the clearing-house, and are going it alone, after the manner of the letter just read. It is, therefore, up to the Legislature now to amend the laws in the interest of conservative banking. There are in the State of New York, 355 National banks and 197 State banks, a total of 552, as against ninety-six trust companies.

Mr. Chairman, I now offer the following resolution for the endorsement of the O'Neill bill, in accordance with the actions of the various groups and the council of administration of the New York State Bankers' Association:

Whereas, The various groups composing the State Bankers' Association, and the council of administration of the State Bankers' Association, at their meeting held during the past few months, have endorsed the O'Neill bill, No. 1,617, and recommended this convention to approve of the bill; be it

Resolved, That the New York State Bankers' Association, represented in convention, endorse the O'Neill bill, No. 1,617, an act to amend the banking law in relation to reports of trust companies, introduced at the last session of the Legislature, and recommend that the same measure be introduced at the next meeting of the Legislature; and that this association hereby recommend the passage of the bill. And be it

Further Resolved, That a copy of this resolution be forwarded to the Governor of the State, each State Senator, and each member of the Assembly, together with a copy of the bill when printed.

PRESIDENT PIERSON: The next order of business will be five-minute talks. You will remember that we have a recommendation from the council favoring the passage of the O'Neill Bill.

MR. APPLETON: I would move that this association is in favor of the passage of the O'Neill Bill.

MR. BREWSTER: Is it wise for us to attempt legislation of this sort? What would the banks say if the trust companies should introduce a measure concerning our mutual business. I fear we shall be treading on dangerous ground.

The motion was carried.

PRESIDENT PIERSON: We will now proceed to the election of officers nominated.

On motion, the secretary cast one ballot for the election of Charles H. Sabin,

and he was declared duly elected president of the association for the ensuing year.

PRESIDENT PIERSON: I will appoint Mr. Warren, of New York, and Mr. H. W. Smith, of Rockville Center, as a committee to escort President Sabin to the chair.

The new-elected president was escorted to the platform.

RETIRING PRESIDENT PIERSON: President Sabin, I cannot express how glad I am to welcome you to this office, and I know that everyone here is glad to see you take this gavel.

PRESIDENT SABIN: Gentlemen, I deeply appreciate the honor you have conferred upon me. I accept the office with some misgivings, as I am not unmindful of the responsibility attached to it, and particularly of the work that is to be done in the coming year, but I can assure you that I will undertake it with an honest and sincere effort.

The following additional officers were elected: Vice-President, Alfred H. Curtis, Cashier National Bank of North America, New York; secretary, E. O. Eldredge, Cashier Owego National Bank (re-elected); treasurer, David Cromwell, President First National Bank, White Plains (re-elected).

On motion, the following delegates were elected to represent the New York State Bankers' Association at the convention of the American Bankers' Association to be held in New York city September 14, 15 and 16: Lewis E. Pierson, retiring president, delegate at-large; M. S. Sanford, Geneva; David M. Pratt, Elmira; W. I. Taber, Herkimer; William H. Rainey, Kinderhook; Robert A. Patteson, Tarrytown; H. L. Crandell, Jamaica; Charles E. Warren, New York city.

PRESIDENT SABIN: We will now receive the report of the committee on resolutions.

S. M. GRISWOLD: Mr. President, the committee on resolutions desire to submit the following resolutions and to move their adoption by a rising vote:

Whereas, Since the association met a year ago two of its members have been removed by death, both of whom were active and instrumental in its organization; therefore be it

Resolved, That in the death of Hon. Seymour Dexter, of Elmira, and Hon. George B. Sloan, of Oswego, the New York State Bankers' Association has lost two of its most efficient members, men possessing the confidence of all who knew them, broad knowledge of the interests of banking institutions, and ever working with that force of character and courage which enabled them to accomplish much for this association. Genial and whole hearted, we shall miss the inspiration of their presence in our future gatherings, and we feel that the State has lost two of its best citizens and this association two members whose places it will be very hard to fill.

Resolved, That this minute be placed upon the records of our association and a copy sent to the respective families of the deceased.

The resolutions were unanimously adopted by a rising vote.

Resolutions were also adopted thanking the speakers, the entertainment committee and various other parties.

The resolution made by Mr. Appleton in his speech was unanimously adopted.

The felicitations of the association were extended to William H. Rainey, for fifty years Cashier of the National Bank of Kinderhook.

PRESIDENT SABIN: There is a committee of five to be appointed on fidelity insurance, but the chair is not ready to name the gentlemen to compose that committee at present, and will do so later.

I believe there is no further business to come before the convention, and I therefore declare the convention adjourned *sine die*.

LIST OF MEMBERS AND GUESTS REGISTERED AT THE CONVENTION.

DELEGATES.

Albany—L. H. Hendricks, N. Y. State Nat Bank; Ledyard Cogswell, N. Y. State Nat. Bank; Chas. H. Sabin, Nat. Commercial Bank; John J. Gallogly, Nat. Exchange Bank; James Mix, Albany County Savings Bank.

Adams—H. H. Waite, Citizens' Nat. Bank; G. W. Hannahs, Farmers' Nat. Bank.

Alexandria Bay—A. C. Cornwall, First Nat. Bank of Thousand Islands.

Baldwinsville—W. F. Morris, First Nat. Bank.

Ballston Spa—Andrew S. Booth, Ballston Spa Nat. Bank.

Batavia—D. W. Tomlinson, Bank of Batavia.

Brockport—Geo. C. Gordon, First Nat. Bank.

Bridgeport, Conn.—F. N. Benham, Bridgeport Nat. Bank.

Brooklyn—R. K. Haldane, Coney Island and Bath Beach Bank; Stephen M. Griswold, Union Bank; Stephen M. Randall, E. A. Walker, Henry E. Hutchinson, Brooklyn Bank.

Buffalo—L. H. Gethoefer, Columbia Nat. Bank; Richard Emory, German Bank; E. T. Newell, People's Bank.

Cazenovia—H. G. Phelps, Cazenovia Nat. Bank.

Cooperstown—G. Pomeroy Keese, Second Nat. Bank; Theo. C. Turner, First Nat. Bank; L. J. Arnold, First Nat. Bank.

Canandaigua—H. A. Beeman, Canandaigua Nat. Bank.

Corinth—Theo. Elixman, Corinth Nat. Bank; F. Eldred Pruyn, Corinth Nat. Bank

Cobleskill—D. C. Dow, First Nat. Bank; L. A. Hodge, First Nat. Bank.

Cleveland, O.—Edward H. Cady, Union Nat. Bank; C. E. Farnsworth, Euclid-Park Nat. Bank.

Freeport—John J. Randall, Freeport Bank; Wm. G. Miller, director Freeport Bank; also director 17th Ward Bank, Brooklyn.

Fishkill-on-Hudson—John T. Smith, First Nat. Bank.

Fulton—John Hunter, Citizens' Nat. Bank.

Gainesville—John T. Symes, Gainesville Nat. Bank.

Glens Falls—E. T. Johnson, First Nat. Bank; Edward L. Martin, Merchants' Nat. Bank; W. A. Wait, Glens Falls Nat. Bank.

Gloversville—W. H. Byers, Fulton County Nat. Bank; F. S. Sexton, Fulton County Nat. Bank; Chas. N. Harris, Manufacturers and Merchants' Bank.

Geneva—M. S. Sandford, Geneva Nat. Bank; F. W. Whitwell, First Nat. Bank.

Granville—R. G. Hays, Granville Nat. Bank.

Gouverneur—F. M. Burdick, First Nat. Bank.

Holley—W. S. Housel, State Exchange Bank.

Hoopeston, Ill.—John L. Hamilton, Hamilton & Cunningham.

Hamilton—Wm. M. West, Nat. Hamilton Bank.

Herkimer—W. I. Taber, Herkimer Nat. Bank.

Hudson—F. C. Haviland, Farmers' Nat. Bank.

Hoosick Falls—Delmer Runkle, Peoples' Nat. Bank.

Huntington—Henry F. Sammis, Bank of Huntington.

Jamaica—H. L. Crandell, Bank of Long Island.

Johnstown—J. Edward Wells, People's Bank.

Kinderhook—W. H. Rainey, Nat. Union Bank.

Little Falls—L. O. Bucklin, Fred I. Small, Little Falls Nat. Bank.

Mamaroneck—R. G. Brewer; First Nat. Bank.

Montreal—W. Graham Browne, Sovereign Bank of Canada; W. B. A. Prendergast, La Banque D'Hochelaga.

Malone—N. M. Marshall, M. F. McGarrahan, People's Bank.

Mt. Kisco—Francis M. Carpenter, Mt. Kisco Nat. Bank.

Mt. Vernon—Theo. F. Nesbitt, First Nat. Bank.

New York City—James R. Branch, Secretary American Bankers' Association; Arthur Braun, Swiss-American Bank; A. J. Warren, Fisk & Robinson; Walter B. Manny, American Arithmometer Co.; A. V. Heely, Farmers' Loan and Trust Co.; Thomas J. Lewis, Consolidated Nat. Bank; R. Ross Appleton, Fourteenth Street Bank; George E. Lewis, Gallatin Nat. Bank; James M. Donald, Hanover Nat. Bank; Daniel G. Reid, Liberty Nat. Bank; Chas. Elliot Warren, Lincoln Nat. Bank; G. W. McGarrah, Mechanics' Nat. Bank; Leo. Schlesinger, Mechanics and Traders' Bank; Fred. B. Schenck, Mercantile Nat. Bank; Alfred H. Curtis, Nat. Bank of No. America; Wm. O. Jones, Nat. Park Bank; Alfred J. McGrath, Nat. Shoe and Leather Bank; Lewis E. Pierson, New York Nat. Exchange Bank; J. H. Davis, Seaboard Nat. Bank; L. C. Haynes, Guardian Trust Co.; C. A. Becker, Bronx Borough Bank; Ballard McCall, National Surety Co.; Geo. H. McCall, Citizen's Central Nat. Bank; F. Sager, Knauth, Nachod & Kuhne; Edwin Goodall, Bank of Discount; H. H. Applegate, Hanover Nat. Bank.

Norwich—James Chambers, Nat. Bank of Norwich; H. H. Higby, Chenango Nat. Bank.

Owego—E. O. Eldredge, Owego Nat. Bank.

Oswego—L. W. Mott, First Nat. Bank.

Orange, N. J.—A. W. Burnett, Second Nat. Bank.

Philadelphia—Geo. H. Millett, Farmers' Nat. Bank; T. Scott Root, Merchants' Nat.

Bank; Hartman Baker, Merchants' Nat. Bank.

Plattsburgh—John F. O'Brien, John Haughran, City Nat. Bank; C. S. Johnson, First Nat. Bank; H. G. Baker, City Nat. Bank; John H. Moffit, Plattsburgh Nat. Bank; J. M. Wever, Merchants' Nat. Bank.

Port Jefferson E. M. Davis, Bank of Port Jefferson; F. A. Kline, First Nat. Bank.

Port Chester—John W. Ingman, First Nat. Bank.

Pulaski—F. A. Clark, Pulaski Nat. Bank.

Patchogue—S. W. Conklin, F. A. Overton, Bank of Patchogue.

Poughkeepsie—Floyd M. Johnston and Wm. W. Smith, Fallkill Nat. Bank.

Port Henry—Eugene Wyman, Citizens' Nat. Bank.

Rochester—Henry C. Brewster, Traders' Nat. Bank.

Rockville Center—Hiram R. Smith, Bank of Rockville Center.

Rome—Arthur J. Wylie, Farmers' Nat. Bank. Geo. G. Clarabut, Farmers' Nat. Bank.

Sandy Hill—Charles T. Beach, Sandy Hill Nat. Bank.

Schenectady—E. L. Milmine, Mohawk Nat. Bank; Willis T. Hanson, Union Nat. Bank.

Syracuse—A. Lamb, Commercial Nat. Bank; E. S. Tefft, First Nat. Bank; F. L. Barnes, Nat. Bank of Syracuse.

Tarrytown—Robt. A. Patteson, Tarrytown Nat. Bank.

Ticonderoga—W. W. Richards, First Nat. Bank.

Troy—A. B. Cobden, People's Bank; Henry Colvin, Nat. State Bank.

Utica—D. A. Avery, Second Nat. Bank.

Waterloo—J. H. Haslett, First Nat. Bank.

Waterville—S. W. Goodwin, Nat. Bank of Waterville.

White Plains—David Cromwell, First Nat. Bank.

Waverly—F. E. Lyford, First Nat. Bank; F. A. Sawyer, Citizens' Bank.

Watertown—Geo. B. Massey, Jefferson County Nat. Bank; W. H. Hathway, Nat. Bank & Loan Co.

GUESTS.

Albany—Mrs. John J. Gallogly; Miss Gallogly; Henry W. Dunn.

Adams—Miss Waite.

Batavia—Redfield Tomlinson.

Bridgeport, Conn.—Mrs. Benham.

Baldwinsville—Miss Morris.

Brooklyn—Mrs. Stephen M. Griswold, the Misses Rardall, Miss Jennie S. Walker, Mrs. H. E. Hutchinson.

Ballston Spa—Sam'l R. Taverner.

Buffalo—Mrs. L. H. Gethoefer.

Cooperstown—Mrs. Theo. C. Turner, Mrs. L. J. Arnold.

Canandaigua—Mrs. H. A. Beeman.

Cobleskill—Mrs. D. C. Dow, Miss Dow, Mrs. L. A. Hodge, Miss Hodge.

Freeport.—Miss Lena F. Randall, Mrs. Wm. G. Miller.

Fishkill-on-Hudson—Mrs. John T. Smith, Miss Smith.

Glens Falls—H. Martin, Mrs. E. F. Johnson.

Geneva—Miss Sandford.

Gainesville—Mrs. John T. Symes.

Gouverneur—Mrs. F. M. Burdick, Miss Burdick.

Hudson—Mrs. F. C. Haviland.

Holley—Mrs. W. S. Housel.

Hoosick Falls—Mrs. D. Runkle.

Huntington—Mrs. Henry F. Sammis.

Hamilton—Mrs. Wm. M. West.

Jamaica—Mr. Scudder.

Kinderhook—Mrs. W. H. Rainey, Miss Cotter.

Little Falls—Fred. I. Small.

Malone—J. F. Wright, Mrs. M. F. McGarrahan.

Mamaroneck—Mrs. R. G. Brewer.

Mt. Kisco—Mrs. Francis M. Carpenter, Theodore Carpenter, Mrs. Lounsbery.

Mt. Vernon—Mrs. Theo. F. Nesbitt, Mr. and Mrs. Horace Loomis.

Norwich—Mrs. James Chambers.

New York—Mrs. C. E. Warren, Mrs. A. H. Curtis, Miss Mabel D. Fettretch, Mrs. R. A. Purdy, Miss V. Parrib, Mrs. L. E. Pierson, Miss Thorne, Miss Maude Thorne, Mrs. John A. Thayer, Mrs. James M. Donald, H. T. Lansing, E. Myerson, Mrs. E. T. Hulst, Mrs. C. A. Becker.

Philadelphia—Mrs. Hartman Baker.

Plattsburg—W. J. McCaffrey.

Port Jefferson—Mrs. E. W. Davis.

Port Chester—Miss Ingman.

Pulaski—Mrs. F. A. Clark.

Patchogue—Mrs. S. W. Conklin, Miss Daisy W. Conklin, Mrs. F. A. Overton.

Poughkeepsie—Mrs. Floyd M. Johnston, the Misses Johnston.

Port Henry—Mrs. Eugene Wyman.

Rome—Mrs. Arthur J. Wylie, Mrs. George G. Clarabut.

Schenectady—Mrs. Willis T. Hanson.

Tarrytown—Mrs. Robt. A. Patteson.

Troy—Mrs. H. B. Cobden, Mrs. Henry Colvin.

White Plains—Mrs. David Cromwell, Mr. and Mrs. J. T. Lockwood.

Waverly—Mrs. F. E. Lyford, Mrs. F. A. Sawyer, Miss Johnson.

Watertown—Mrs. W. H. Hathway.

REVIEW OF CANADIAN BANKING, COMMERCE AND MANUFACTURES.

That Canada is destined to play a very important part in the commerce of the world is now established. The productive quality of her vast prairies has thoroughly been proved; the rich resources of her mines, forests and waters have shown that their contributions will be by no means small.

With an aggressive immigration policy, immigrants are fast settling in our Western territories. Canada is bound to become the granary of the Empire, and, perhaps, of the Continent. With no new wheat areas available; with manufactures continually multiplying; with the increase of population more than equalling the increase in the production of wheat, it seems certain that, within a measurable period, the farmers of the West will have a chance of assisting to feed the teeming millions of the Republic.

The Outlook for Wheat.

The crop situation is assuming a position of greater importance in the Canadian trade outlook. The yield of wheat in the West is, of course, the predominant factor. The prosperity of Eastern manufacturers and merchants is deeply concerned with the welfare of the Western farmer. There is material for continued satisfaction in the reports which are coming in regarding the condition of the growing wheat. In Manitoba and the Territories there is a wheat acreage this season of 3,500,000 acres. An estimate of the yield is 22 bushels per acre, which would aggregate 77,000,000 bushels, and, if there is no set-back, present indications would point to a much larger yield. In Ontario, too, and the East the yield of cereals will be at least a fair average.

General Condition of Business.

The business situation is now fairly satisfactory, and additional confidence will be created by this bright outlook in Western Canada. Reports from the old country still foreshadow another large movement of settlers for the Dominion. This, with last year's influx, which has not made a noticeable effect on the acreage under cultivation this season, ought to send the crop returns for next year away beyond that of any previous aggregate.

The movement of merchandise is large, bearing favorable comparison with that of other years. From an industrial point of view, the comparative idleness which prevails at Sydney, Cape Breton, and at Sault Ste. Marie is to be regretted, but it does not make a deep impression on the country's commercial welfare, for it is recognized that the respective promoters of these enterprises undertook more than they could accomplish, and that, therefore, the reaction is only natural and expected.

Quite recently the Dominion Coal Company has passed the half-yearly dividend on its common stock, the Canadian Colored Cotton Company has omitted the usual quarterly disbursement to shareholders, and the Great Northern Railway of Canada has failed to pay the half year's interest on its outstanding bonds. It is just such events as these that make for the continuance of the comparative quiet that has now reigned in the Canadian stock market over an extended period. Other disappointments might easily be recalled. Moreover, business failures in the Dominion for

the past six months numbered 583, with liabilities of $6,068,733, as compared with 492, with liabilities of $3,395,637 for the first half of last year. These unfortunate developments followed swiftly the boom days of 1901 and 1902, and as is always the case in the world of finance, the unchecked optimism of former days some time ago gave place to what perhaps aptly may be termed a rather unreasoning pessimism on the part of investors. Recently, however, an improvement has been noticed. The Canadian Pacific has increased its dividend; the chartered banks have continued to prosper; immigrants have made their homes here to the number of nearly 800,000, with the consequent cultivation of extensive areas of formerly waste prairie lands; a second transcontinental railway system has progressed, and a third has been launched. Considering these inspiring factors in the country's growth, one may well conclude that Canadian finance is sound.

Public Revenue and Expenditures.

For the first nine months of the fiscal year both internal trade and imports have exceeded those for the corresponding period of last year. Customs, excise and post-office receipts all show heavy gains. Government revenue receipts for the first nine months in 1903 and 1904 were as follows:

	1903.	*1904.*
Customs	$26,688,788	$30.247,704
Excise	8,911,977	9,763,404
Post office	3,119,455	3,487,516
Public works	5,265,026	5,120,790
Miscellaneous	2,612,008	2,684,150
Totals	$46,597,241	$51,303,567

Thus it is seen that, comparing for the first nine months of each year, the ordinary revenue was four and three-quarter millions more for the present year. The ordinary revenue was in excess of the ordinary expenditure by $18,642,313, and over all expenditures combined by $12,069,443. The ordinary expenditure for the first nine months of 1904 only exceeded that for the same period of the previous year by $993,000. From present indications the surplus of ordinary revenue over ordinary expenditure at the end of the fiscal year will amount to $16,000,000 or more, and the national debt will be reduced by probably $7,000,000.

The following is a statement of capital expenditure up to the end of April, 1904:

	1903.	*1904.*
Public works, railways and canals	$3,415,245	$3,559,301
Dominion lands	318,540	531,219
Militia	104,278	764,601
Railway (subsidies)	1,363,480	1,933,918
Bounty on iron and steel	967,424	745,185
South African contingent	175,392	7,615
Northwest Territories rebellion	2,479	1,989
Totals	$6,371,881	$7,524,622

The Budget Speech.

Perhaps the most important Canadian commercial event of the past three months was the announcement of the Budget speech at Ottawa on June 7. This speech, which was delivered by the Hon. W. S. Fielding, the Minister of Finance, shows clearly the growing prosperity of the Dominion, and is especially important as indicating Canada's advance toward a greater measure of protection for her industries.

Considering the comparatively small population of Canada, the figures presented by Mr. Fielding are somewhat remarkable. The Government revenue for the

current year is estimated at $71,000,000, and the surplus at $16,500,000. From this surplus the National debt will be reduced by $7,500,000.

It is the announcement concerning tariff changes, however, which has attracted more particular attention. The Canadian tariff was revised in 1897 by a Government commission. This tariff, which is still in force, is commonly known as "the Fielding tariff," and differs but little from the moderately protective tariff which was in force when the present Government assumed power in 1896. While no general revision has taken place since 1897, a number of changes have been made, by far the most prominent of which was the instituting of a sweeping preference for British goods amounting to one third of the tariff. This change was brought about in 1900.

Since the last general revision the remarkable progress which has accompanied industrial development in Canada has materially changed many of the conditions which then existed. This fact, together with the somewhat severe pressure of British competition under the preference in a few lines, has brought from the manufacturers of Canada within the past two years urgent requests for a general revision. These requests have been made chiefly through the Canadian Manufacturers' Association, a body which by its enthusiastic national sentiment and practical work along many lines which assist in building up national industries, is occupying a very prominent place among the public organizations of the country.

Looking back over the tariff changes made since 1900, it is clearly evident that the Liberal Party has abandoned absolutely the theory of free trade which they once held so strongly, and that suiting their policy to the conditions, they are now clearly protectionist. None of the changes made have been very marked, and it is notable that there have been a few reductions, but speaking generally, the desire has been shown to protect Canadian industries at least to a moderate extent.

The following are the changes announced in the recent budget speech:

1. The minimum duty on tweeds, coatings, overcoatings, and other woollen goods, with the exception of blankets, bed comforters or counterpanes when imported under the preferential tariff, is fixed at thirty per cent. Present minimum, 23⅓ per cent.

2. The minimum duty on twine and cordage under the preference is raised to twenty per cent. *ad valorem* from 16⅔ per cent.

3. The maximum duty under the British preference on china and porcelain ware is reduced from twenty to fifteen per cent. *ad valorem;* that on common and colorless window glass from 13⅓ per cent. to 7½ per cent.

4. The duty on refined petroleum (coal oil) is reduced from five to 2½ cents per gallon. Fuel oil for manufacturing purposes is placed on the free list. The duty on crude petroleum is wiped out and a bounty of 1½ cents per gallon is to be given to the crude oil producers of Canada. The duty on paraffine wax candles is reduced from thirty to twenty-five per cent.; that on paraffine was from thirty to twenty-five per cent.; that on illuminating oils costing more than thirty cents per gallon from twenty-five to twenty per cent.; vaseline from thirty-five to twenty-five per cent.; that on lubricating oils from five cents to 2½ cents per gallon; that on lubricating oils n.e.s. and axle grease from twenty-five to twenty per cent.

5. Pails and tubs of wood are made dutiable at twenty-five instead of twenty per cent.

6. The minimum value for duty of open buggies is fixed at $40, and that of covered buggies at $50.

7. The duty on plate glass not bevelled in sheets or panes not exceeding seven square feet each, n.e.s., is lowered to ten per cent. *ad valorem.* On the same material in sheets or panes exceeding seven square feet and not exceeding twenty-five square feet each the duty will be twenty-five per cent *ad valorem.*

8. The duty on silk fabrics imported by manufacturers of men's neckwear for use exclusively in their own factories is reduced to ten per cent. *ad valorem.*

9. Molasses from any country entitled to the British preference is placed in the free list.

The free list is further extended to comprise the following: Printing presses not made in Canada, whale oil, soap, plain basic photographic paper, hydro-fluo-silicic

acid, glass for the manufacture of photographic dry plates, ferment cultures for butter making, machinery not made in Canada for the manufacture of linen, machinery not made in Canada for the manufacture of certain brass goods, well drilling machinery not made in Canada, but not to include motive power, artificial teeth, quassia juice, crude petroleum fuel and gas oils. The free admission of machinery and appliances not made in Canada used exclusively in alluvial gold mining is extended until July 1, 1905.

10. To the list of prohibited goods is added stallions and mares of less value than $50 each.

One word may be said with regard to the most important of these changes; the reduction of duty on refined oil is explained by the fact that the Canadian oil wells are not able to produce a sufficient supply of oil to keep the Canadian refineries in operation, much less supply the needs of the Canadian market.

The limitation of the preference on woollens is a distinctively defensive measure and is due to the extensive importations from Great Britain, amounting last year to nearly $15,000,000.

These specific changes, however, are not the most noticeable features of the budget. They are overshadowed by two general provisions which indicate more clearly the probable course which will be taken by Canada in preserving her trade. These clauses are as follows:

11. A special duty will be imposed upon goods "dumped" or "slaughtered" in Canada, being the difference between the sacrifice price and the fair market value of the goods. On certain articles of iron and steel on which bounties are paid this special duty is not to exceed fifteen per cent. *ad valorem*, and in other cases the limit of special duty is fifty per cent. of the present duty.

12. A maximum general tariff, a minimum general tariff and the British preference will be adopted when the fiscal question is dealt with in detail. The highest scale of duties will be applied to countries whose trade policy is hostile to Canada, and the lower scale to countries that deal fairly with the Dominion, while the preference is to be kept for the firm of John Bull & Co.

CANADIAN TRADE.

Canada's foreign trade for the ten months ending April 30 amounted to $374,-508,451 as against $361,326,385 for the same period of 1903, an increase of $13,177,-066. This includes imports for consumption, exports of domestic and foreign products, and coin and bullion. The total exports, domestic and foreign, are less for 1904 by $5,902,813.

Domestic exports show a decrease of $8,298,510, but there is an increase of about $2,000,000 in exports of the mine. Fishery exports are less by about $700,000, and products of the forest by about $2,600,000. Exports of manufactures are less by about $600,000. In the exports of cattle there is a decrease of about $3,600,000 and in wheat by about $2,500,000. The following is a comparative statement of the imports for consumption and domestic export only:

IMPORTS, TEN MONTHS.	*1903.*	*1904.*
Dutiable goods	$109,030,545	$120,115,878
Free goods	66,954,103	75,508,602
Totals	$175,984,648	$195,624,480
Duty collected	29,783,082	33,186,221
DOMESTIC EXPORTS, TEN MONTHS.		
Products, mine	$25,715,330	$27,392,072
Products, fisheries	9,343,697	8,646,376
Products, forest	28,372,173	25,791,206
Animals and produce	58,655,144	55,127,400
Agriculture	33,351,960	30,859,328
Manufactures	16,341,961	15,766,682
Miscellaneous	77,653	76,344
Totals	$171,857,918	$163,559,408

Trade Between Canada and the United States.

The year's commerce with the United States (ending December 31, 1903), aggregated nearly 200 million dollars, against less than 100 millions in 1893. The increase occurs both in imports from and exports into the United States. Our exports to the United States, which in 1893 amounted to only 34 million dollars, in the present year amount to about 55 millions. Our imports from the United States, which in 1893 were 57 million dollars, amount to 130 millions. Our total commerce with the United States has thus grown from 91 millions in 1893 to approximately 185 millions in 1903. Canada's commerce, therefore, more than doubled in this decade, as related to the United States, while the commerce of the States as a total only increased fifty per cent.

Exports to the United States increased by about 60 per cent. during this period, while those of any other country did not approach this. Our imports increased by about 125 per cent., whereas the total exports of the United States only increased about 66 per cent.

Statement of the imports and exports of Canada from and to the United States during the twelve months ending April 30, 1904:

	1903.	*1904.*
Exports	$41,133,023	$37,601,343
Imports	86,044,933	98,346,186

Rail and Water Transportation.

The increase in the Canadian Pacific Railway's net earnings for the months just passed would indicate that the road has, in part, at least, shaken off the bad effects of the serious traffic setback of last winter. The good prospect of splendid crops in the West would promise plenty of traffic.

Railway earnings, however, this season have not equalled those of 1903. Practically all current reports of manufacturing companies are showing a much reduced business, and this could not fail to affect the transportation industry correspondingly. In the interior grain traffic, on the other hand, last year's figures are pretty much sustained.

The second transcontinental railroad has been fairly launched and is being hurried forward. What this will mean in the Northwest districts is hardly to be estimated. The Government is expending vast sums of money in installing new aids to navigation, and in the improvement of existing works along the great lakes and the St. Lawrence and the Atlantic and Pacific coast, so as to safeguard shipping by Canadian routes and to secure for vessels minimum insurance charges. The waterway from Georgian Bay to the St. Lawrence will make an immense difference in the freight haul, in place of coming away round by the lakes. Just recently the immense lift locks were opened on this route at Peterborough.

The amount of shipping is well shown by the report of the Port of Montreal. The total revenue of this port for 1903 was $344,175.89, as against $309,745.22 in 1902, making an increase of $34,430.67. In 1902 the revenue was over that of 1901 by $41,000. The totals were made up from the following:

	1902.	*1903.*
Imports	$182,539.95	$193,000.00
Exports	93,778.42	106,000.00
Local traffic	33,426.85	35,175.89

The tonnage visiting this port shows a steady increase over the past three years, the excess being 41 vessels and 350,663 tons for 1903 over 1902.

Agricultural Development.

The raw materials of flour and grist mills, butter and cheese factories and meat packing and slaughtering establishments are almost wholly the products of agri-

culture, and their aggregate value in the last census is $71,178,295, or 85 per cent. of the aggregate value of finished products.

In the manufacture of butter and cheese alone $25,302,581 out of the production of $29,462,402 was paid directly to the patrons as the value of the raw materials of cream and milk supplied to the factories, being 86 per cent. of the value of factory products.

The total value of crops, fruits, live stock sold, meats, dairy products, wool, eggs, etc., in 1901 was $368,126,384.

The Dairy Industry.

In the list of manufactures the most striking increase is in meat products, and, after that comes butter and cheese. The figures go to show that in every province of the Dominion dairying has made remarkable advances, while in Ontario and Quebec it holds the place of a leading industry. The value of the product of the factories has increased by almost 200 per cent. since 1891, the figures being $10,780,-879 in 1891, and $29,731,922 in 1901. No other departments of industry show such growth. The number of factories has increased from 1736 to 3580, a trifle more than double. The same ratio is maintained in the number of hands employed and in wages paid, while the value of buildings and plants has grown from $1,968,174 to $6,316,974 in the decade. The average output has increased from $6,210 to $8,305, showing that there have been extensions in existing plants or else that they are working up to their capacity. The following table of increases in the decade will show the extension of this industry: In number of factories, 1844; in value of factories, $4,348,800; in value of products, $18,951,043.

In 1891 butter and cheese products ranked eighth in the statistics of manufactures; in the last census they ranked third, log products and grist mill products taking precedence.

The following will show the exports of butter and cheese for the last two years:

	1902.	*1903.*
Butter	27,855,978 lbs.	34,128,944 lbs.
Cheese	200,946,401 lbs.	229,099,925 lbs.

Banks and Banking.

A great deal has been heard of late regarding the unprecedented expansion in the discounts of Canadian banks during the past year. Increased accommodation has been afforded to the merchant and manufacturer to the amount of $58,253,029. The following statement institutes a comparison of the year's record with preceding periods:

Years.	*Circulation.*	*Deposits.*	*Discounts.*	*Call loans.*
1903	$62,539,407	$434,336,757	$415,263,355	$74,021,000
1902	60,574,144	407,307,707	357,010,826	95,089,944
1901	54,372,700	367,095,500	321,319,200	82,915,900
1900	50,758,246	318,358,800	295,726,200	61,216,200
1899	45,999,700	273,233,800	366,678,601	32,435,400
1898	40,258,381	218,572,100	229,900,000	26,532,000
1897	37,995,123	222,022,200	205,931,000	19,859,800
1896	33,095,800	196,630,000	210,522,000	14,080,900
1895	32,565,179	187,119,574	202,088,259	17,089,307

A comparison of the amount of loanable funds in the hands of the banks at the present time and the money out on call, with the total under these headings a year ago, shows that the supply of funds still available for loans is much larger than it was a year ago. The amount of current loans now out shows, it is true, a large expansion, compared with last year, but it does not equal the increase in cash ob-

tained from deposits, increased capital and reserve and circulation. The current loans are $46,329,080 larger than the total taken at the same date last year. The total public deposits for the year show an increase of $37,970,657 ; the paid-up capital was increased $3.848,672, which gives an equal increase in bank-note circulation, and the reserves increased $5,520,125, making a total increase for the year in available cash from these sources of $51,178,126.

On the other hand, the call loans in Canada during the year show a contraction, according to the latest returns, of $10,851,033, from $48,404,884 to $37,553,851. It will thus be seen that there is now ample margin, compared with the figures of last year, for an expansion in call loans by the banks.

The Dominion Government, through its officials, deposited $100,546,342 in the various banks of the country last year. Over $62,188,000 was deposited in the Bank of Montreal last year, and the Bank of Commerce came next with over $10,000,000, while the Merchants' Bank and Bank of Nova Scotia are next in order in the amount of Government money deposited. At the close of the fiscal year the Government had over $5,000,000 on deposit.

Deposits reposing in the banks of Canada to the credit of the public when the March bank statement was issued were the greatest in the history of the Dominion. The deposits payable on demand and on notice combined to make a total of $404,397,946, which is just $32,343,355 in excess of the deposits at the same time a year ago. Wealth is pouring into the country at a rapid rate. Every immigrant brings his share, and his natural impulse on arriving is to bank his money, until he sees a suitable opening for investment. The subjoined table shows how the two classes of deposits have grown since the commencement of 1903. Between December and January last there was considerable shifting of deposits, as will be seen by the large decrease of deposits on demand in January, and the increase in deposits payable on notice the same month, and the decrease of upwards of five millions in the total.

This large accumulation of funds in the hands of the banks throughout the Dominion will, sooner or later, seek occupation in the purchase of first-class securities in the stock markets, which have been waiting patiently for this money to come out for some time, and pending the decision of the depositors, it is notorious that stock trading has been extremely dull.

The deposits from the commencement of 1903 until March, 1904, show as follows :

1903.	*Deposits payable on demand.*	*Deposits payable on notice.*	*Total.*
January	$107,767,043	$259,017,187	$366,784,230
February	105,804,362	261,377,760	366,682,122
March	107,620,884	264,434,708	372,055,591
April	110,474,577	265,437,364	375,911,941
May	109,397,451	266,785,156	376,182,507
June	111,298,423	267,639,035	378,937,458
July	110,542,900	271,597,201	382,140,101
August	111,735,920	273,770,645	385,506,565
September	116,701,497	275,939,608	391,792,524
October	118,070,088	275,081,027	394,009,696
November	120,098,903	278,530,529	398,629,820
December	120,520,032	279,327,788	399,866,820
1904.			
January	107,323,255	287,248,914	394,572,169
February	107,706,725	289,547,284	397,254,009
March	106,484,714	297,913,232	404,397,946

The monthly Government reports of the chartered banks continue to reflect trade expansion and the increase in the banking business of the country.

Below is the latest bank statement in a condensed form :

LIABILITIES.	
Capital authorized	$97,546,666
Capital paid up	78.801,319
Reserve funds	52,309,458
Notes in circulation	$57,857,174
Dominion and Provincial Government deposits	8,767,951
Public deposits on demand in Canada	112,652 678
Public deposits at notice	306,016,092
Deposits outside of Canada	35,696,292
Bank loans or deposits from other banks secured	891,107
Due to other banks in Canada	4,031,700
Due to other banks in Great Britain	7,267,278
Due to other banks in foreign countries	1,342,532
Other liabilities	9,347,333
Total liabilities	$543,870,219

ASSETS.	
Specie	$16,301,118
Dominion notes	31,973,080
Deposits to secure note circulation	3,130,844
Notes and checks on other banks.	18,624,100
Loans to other banks securrd	891,539
Deposits with other banks in Canada	5,265,062
Due from banks in Great Britain.	3,262,168
Due from other banks in foreign countries	13,593,721
Dominion or Provincial Government debentures	10,547,439
Other securities	54,400,300
Call loans on bonds and stocks in Canada	36,960.202
Calls loans elsewhere	38,767,494
Current loans in Canada	409,210,955
Current loans elsewhere	19,235,638
Loans to Dominion and Provincial Governments	2,776,475
Overdue debts	2,026,696
Real estate	688,522
Mortgages on real estate sold	754.477
Bank premises	9.492,347
Other assets	6,977,226
Total assets	$684,879,573

Average amount of specie held during the month	$15.849,340
Average amount of Dominion notes held during the month	30,186,800
Greatest amount of notes in circulation during the month at any one time	60,258,489
Loans to directors or their firms	10,664,253

That the Canadian banks have a large amount of capital, which they find it profitable to invest in sterling exchange, is a reminder of the fact that a very large amount of the capital of Canadian banks is invested in the United States. From the report published above, it will be seen that while call and short loans on stocks and bonds in Canada amount to $36,960,202, the call loans elsewhere than in Canada amount to $38,767,494. In addition to this they have $19,235,638 invested in current loans elsewhere than in Canada. This is quite a considerable sum of Canadian capital to be employed outside of Canada, and it is somewhat strange that the development of the Dominion does not afford a more profitable avenue for the employment of this capital than do loans to Wall street speculators.

However, in the last semi-annual statement of the Bank of Montreal it is noticed that the bank has considerably reduced its call and short loans in the United States, while increasing its current loans and discounts in Canada from $66,000,000 to $74,600,000. This indicates an expansion in Canadian trade, which will provide a profitable outlet for this capital now being invested elsewhere.

Between December 31, 1900, and December 31, 1903, the paid-up capital of the Canadian banks increased $11,476,125, and during this same period the "rests," or reserve funds, increased $16,097,162.

GROWTH OF MANUFACTURES.

The manufacturing industries of the Dominion during the last decade, as shown by the census, have made wonderful strides. The progress of dairying has been noted above. In 1891 there were 13,679 establishments, producing $363,156,797; these have grown to 14,650 establishments, producing $481,053,375, in 1901. In some lines there has been a decrease in the number of factories, but an increase in the production. In boots and shoes, for example, the number of factories fell from 267 to 258, but the production increased from $12,906,215 to $18,481,216. Bread and biscuit declined from 269 to 258, but the production increased from $8,374,306 to $11,637,808.

Some instances might be noted of decrease in number of factories and production, but, taken as a whole, the manufacturing industry is prospering wonderfully. New plants are being established continually, and old ones are being remodelled and increased.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on January 22, March 28, and June 9, 1904. Total number of banks: June 9, 1903, 4,939; June 9, 1904, 5,331; increase, 392.

RESOURCES.	*Jan. 22, 1904.*	*Mar. 28, 1904.*	*June 9, 1904.*
Loans and discounts	$3,469,195,043	$3,544,998,559	$3,595,018,467
Overdrafts	42,401,729	30,726,878	26,800,926
U. S. bonds to secure circulation	387,498,420	394,118,300	409,977,250
U. S. bonds to secure U. S. deposits	140,884,120	130,099,780	110,511,810
Other bonds to secure U. S. deposits	30,018,612	48,426,716	10,645,848
U. S. bonds on hand	10,578,250	13,165,550	17,535,765
Premiums on U. S. bonds	16,478,869	16,378,170	16,435,972
Bonds, securities, etc	527,740,516	532,837,907	566,252,212
Banking house, furniture and fixtures	111,954,063	118,693,796	117,036,371
Other real estate owned	20,840,620	20,821,485	20,793,479
Due from National banks	294,555,081	289,418,963	289,397,500
Due from State banks and bankers, etc	104,151,933	94,818,426	92,347,171
Due from approved reserve agents	494,706,418	503,984,736	498,103,879
Internal-revenue stamps	21,989	18,320	15,412
Checks and other cash items	22,357,282	23,623,776	24,444,773
Exchanges for clearing-house	234,896,480	181,824,329	147,704,918
Bills of other National banks	28,336,554	25,524,600	28,795,425
Fractional currency, nickels and cents	1,839,590	1,708,711	1,809,066
Specie	453,191,553	464,417,270	488,664,145
Legal-tender notes	161,434,599	153,098,314	169,729,173
Five per cent. redemption fund	18,859,350	19,073,100	19,893,556
Due from U. S. Treasurer	4,936,083	3,217,924	4,080,562
Total	$6,576,878,163	$6,605,995,616	$6,655,988,686
LIABILITIES.			
Capital stock paid in	$765,861,640	$765,974,758	$767,378,148
Surplus fund	385,531,867	385,095,944	389,647,388
Undivided profits, less expenses and taxes	177,724,873	189,436,751	191,991,189
National bank notes outstanding	380,992,307	385,908,200	399,583,837
State bank notes outstanding	42,769	42,663	42,663
Due to other National banks	692,787,731	718,624,303	702,246,470
Due to State banks and bankers	293,840,487	298,602,728	283,670,678
Due to trust companies and Savings banks	302,100,678	333,254,128	392,717,484
Due to approved reserve agents	34,235,676	32,403,516	33,515,194
Dividends unpaid	1,815,919	1,321,366	1,090,766
Individual deposits	3,300,619,898	3,254,470,858	3,312,439,840
U. S. deposits	155,399,160	151,796,041	108,014,689
Deposits of U. S. disbursing officers	7,895,619	8,437,419	7,328,801
Bonds borrowed	44,970,726	51,035,648	35,058,315
Notes and bills rediscounted	7,898,230	6,317,143	8,725,501
Bills payable	20,146,056	17,767,314	21,869,980
Liabilities other than those above	5,066,517	5,506,833	5,667,785
Total	$6,576,878,163	$6,605,995,616	$6,655,988,686

Changes in the principal items of resources and liabilities of National banks as shown by the returns on June 9, 1904, as compared with the returns on March 28, 1904, and June 9, 1903:

ITEMS.	SINCE MARCH 28, 1904.		SINCE JUNE 9, 1903.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$50,014,908	....	$179,967,716	....
U. S. bonds	641,195	....	25,161,565	....
Due from National banks, State banks and bankers and reserve agents	....	$8,373,575	77,935,285	....
Specie	24,246,874	....	100,047,767	....
Legal tenders	16,630,859	....	6,136,344	....
Capital stock	1,403,395	....	23,872,100	....
Surplus and other profits	7,105,831	....	39,454,990	....
Circulation	13,675,637	....	40,322,728	....
Due to National and State banks and bankers	29,265,149	....	109,903,344	....
Individual deposits	57,968,982	....	111,446,331	....
United States Government deposits	....	49,889,970	....	$36,758,992
Bills payable and rediscounts	6,511,024	....	1,836,259	....
Total resources	49,993,069	....	369,053,580	....

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—At a meeting of the trustees of the West Side Bank, July 12, Clarence O. Bigelow was elected first Vice-President in place of John S. Scully, deceased, and Joseph Rowan was elected second Vice-President.

—Wm. H. Leupp, Vice-President of the Trust Company of America, was recently elected President to succeed the late Ashbel P. Fitch.

—The City Banking Commission, composed of Acting Mayor Fornes, Acting Comptroller Phillips and City Chamberlain Keenan, met in the mayor's office August 1 to determine the list of depositories and to fix the rate of interest for the months of August, September and October. The only change in the list was the substitution of the Coal and Iron National Bank for the Eastern Trust Company, which is about to go out of business. The rate of interest was fixed at 2 per cent.

—The National Surety Company has established a metropolitan department in the downtown district, located at 35 Nassau street, where applications may be filed for fidelity, court and contract bonds, also burglary insurance policies.

—At a meeting of the shareholders of the Eastern Trust Company, July 25, the proposition to place the company in liquidation was approved by the shareholders. Notice was given that the company was ready to pay all its obligations at once.

—The August number of the "Monthly Bulletin of Investments," issued by Messrs. Fisk & Robinson, contains the following regarding the general outlook:

"During the entire month of July there has been a continuous demand for investment bonds, and undoubtedly a large portion of the floating supply of securities recently held in Wall Street has now found lodgment with investors. These conditions have caused a general advance in prices, long-term bonds yielding from four to 4½ per cent. having been in special demand. The outlook continues satisfactory, with money plentiful and cheap. The latest reports of National banks, submitted to the Comptroller of the Currency on June 9 last, showed a strong condition.

The outlook for the crops is promising. There undoubtedly will be decreases in the production of certain cereals as against original estimates, but there is ample assurance that the total value of the crops and the tonnage to be derived therefrom will be largely in excess of last year."

—Wm. Hanhart, Secretary of the Savings Bank Section of the American Bankers' Association, announces that the next annual meeting of the Section will be held Tuesday, September 13, in the Waldorf-Astoria, New York city.

NEW ENGLAND STATES.

Rhode Island Banks Merge.—It is reported that negotiations have been concluded by the Industrial Trust Co., of Providence, for taking over the business of the First National Bank, National Warren Bank, Warren Trust Co., and Warren Institution for Savings, of Warren, R. I. Shareholders of the institutions named are to meet on August 24 and vote on the proposed merger.

A National Bank to Liquidate.—The directors of the First National Bank of Woburn, Mass., have recommended to the shareholders that the charter of the bank, which will expire on January 18, 1905, be permitted to lapse and that the bank be placed in liquidation. It has a capital of $200,000, a surplus of $90,000, and deposits of about $300,000.

Boston.—Arthur P. Stone was recently elected Vice-President of the Commonwealth Trust Company. For the past three years Mr. Stone has been an Assistant Cashier of the National Shawmut Bank, and was formerly connected with the Third National Bank, where he served in various capacities, finally rising to the position of Assistant Cashier.

—The Commonwealth Trust Company opened a new branch at 105 Causeway street July 7.

MIDDLE STATES.

New Jersey Trust Companies.—The semi-annual returns of the New Jersey trust companies, compiled by State Banking and Insurance Commissioner David O. Watkins, show some interesting changes.

While the trust companies of the State had $129,461,389 resources on December 31 last, they have $136,415,625 at the report taken at the close of business June 30. The trust companies have increased their bonds and mortgages from $14,929,215 to $16,279,528, cash on hand from $2,105,659 to $2,304,824, and checks and other cash items from $562,312 to $688,873. Their holdings of stocks and bonds increased from $37,311,897, in December, to $45,065,912 on June 30. In the December report they held no United States bonds, but now report holdings of $36,500.

Demand loans on collaterals have decreased from $27,682,926 to $25,085,912 since December. Time loans on collaterals from $12,397,689 in the December report to $9,412,488, while loans to municipalities have increased from $1,677,731 to $2,051,979.

Time deposits have increased from $39,430,021 in the December report to $41,919,586, while demand deposits have decreased from $52,942,832 to $49,930,642. Capital stock has increased from $12,024,900 to $12,127,500.

Pittsburg.—Perhaps the acme of sumptuous bank advertising has been reached in the booklet issued by the Keystone Bank of Pittsburg to commemorate its twentieth anniversary. The printing is on only one side of the sheet of a hand-made antique deckle-edge paper, with extra wide margins, with a very pleasing old-style type and illuminated initials; illustrations pasted on antique cover stock of a smoke color; binding in limp undressed leather, with the imposing building of the bank embossed on the front cover. It is a handsome specimen of the printer's art, and the history of the bank is fittingly told and the construction and furnishing of its new building appropriately described and pictured.

—It was announced on August 3 that the North American Savings Company will relinquish control of the Fort Pitt National Bank, which in turn will absorb the Fifth National Bank. Stockholders of the North American Company will meet on October 3 to vote finally on the change.

The new concern will be known as the Fort Pitt National Bank, and will begin business anew with deposits amounting to $4,000,000.

Johnstown, Pa.—Since publishing its official statement of June 9 the First National Bank, of Johnstown, has added $10,000 to its surplus account, making that item $200,000, the same as the capital stock.

Bank Stock Assessed.—The stockholders of the First National Bank, of Saratoga Springs, N. Y., consented to a 90 per cent. assessment on the par value of the stock, payable August 6. This was required by the Comptroller of the Currency in order to reopen the bank, which was recently closed to escape a run.

New York Bankers Meet.—Group VI of the New York State Bankers' Association had a most delightful meeting in Stamford, N. Y., on Friday and Saturday, July 8 and 9, having met in that beautiful town at the invitation of the National Bank of Stamford.

There was a delightful combination of business and social pleasures, and the presence of the ladies added very much to the enjoyment of the meeting.

The headquarters were at the Rexmere, where the banquet was served on Friday evening, which was followed by after-dinner speaking and a reception in the hotel parlors; and on Saturday the ladies were entertained by various drives. Both Mr. Merchant, the President, and Mr. Kendall, the Cashier of the National Bank of Stamford, did all that was possible for the comfort of the guests and their friends. At the business meeting on Saturday morning Mr. John J. Crawford, the author of the Negotiable Instruments Law, gave a very happy address on "The Banker in Politics."

SOUTHERN STATES.

Norfolk, Va.—At the annual meeting of the Citizens' Bank, July 12, the following officers were elected: President, W. W. Moss; First Vice-President, J. W. Perry; Second Vice-President, McD. L. Wrenn; Cashier, Tench F. Tilghman; Trust Officer, Geo. J. Twohy; Assistant Cashier, Norman Bell, Jr.

The bank has $300,000 capital, and on July 1 the surplus and profits were $250,739. For the past year the earnings were $51,200, of which $24,000 was applied to dividends and $27,200 to surplus.

Kentucky Bankers' Association.—The twelfth annual convention of the Kentucky Bankers' Association will be held in the Kentucky Building at the Louisiana Purchase Exposition, St. Louis, October 5 and 6.

North Carolina Banks.—Through the courtesy of the North Carolina Corporation Commission, the MAGAZINE presents the following report of the condition of the State, Savings and private banks of North Carolina on June 9 (cents omitted):

RESOURCES.	
Loans and discounts	$19,525,136
Overdrafts	262,534
United States bonds	70
North Carolina State bonds	39,560
All other stocks, bonds and mortgages	1,032,725
Premium on bonds	12,269
Banking houses, furniture and fixtures	661,965
All other real estate owned	188,818
Demand loans	852,983
Due from banks and bankers	4,082,205
Cash items	267,054
Gold coin	274,517
Silver coin, including all minor coin currency	256,868
National bank notes and other U. S. notes	898,972
Invested trust assets	1,043,203
Miscellaneous	17,697
Total	$29,416,580

LIABILITIES.	
Capital stock	$4,771,704
Surplus fund	677,348
Undivided profits	954,200
Dividends unpaid	2,727
Notes and bills rediscounted	562,832
Bills payable	430,206
Time certificates of deposit	2,059,788
Deposits subject to check	17,083,205
Demand certificates of deposit	967,065
Due to banks and bankers	528,496
Cashier's checks outstanding	105,252
Certified checks	30,260
Accrued interest due depositors	28,669
Trust deposits	1,219,428
Miscellaneous	874
Total	$29,416,580

The total resources of the respective classes of banks are divided as follows: State, $24,063,604.74; private, $252,403.47; Savings, $5,100,572.65.

WESTERN STATES.

Minneapolis, Minn.—The Northwestern National Bank now occupies its new building, which may be justly characterized as among the finest bank buildings in the country. It is built of Georgia marble, with six massive pillars in front, and the interior is fitted up in accordance with all the latest and best ideas regarding bank architecture and decoration. Its systems of light, heat and ventilation are as near perfection as modern skill can make them, and the rooms for customers, officers and employees are ample in size and admirably arranged and furnished.

The Northwestern National Bank was established thirty-two years ago, and it now has $1,000,000 capital, $688,000 surplus and profits, and over $8,000,000 deposits. The officers of the bank are: President, W. H. Dunwoody; Vice-Presidents, M. B. Koon and Edward Decker; Cashier, Joseph Chapman, Jr.; Assistant Cashiers, Frank E. Holton and Charles W. Farwell.

—The German-American Bank will erect a new building at the corner of Washington and Plymouth avenues, and the officials expect to be in their new quarters before winter. The cost of the structure will be $25,000 when completed.

—On July 25 the National Bank of Commerce took possession of its remodelled offices, and now occupies the entire first floor of the National Bank of Commerce Building. Marble, mahogany and bronze have been freely and effectively used, and the decorations employed have produced a harmonious and pleasing effect. A handsomely-appointed directors' room has been provided, the womans' department has been enlarged and new rooms fitted up for the bank's officers.

Ottumwa, Iowa.—The First National Bank, which is the oldest bank in the State of Iowa, has recently installed a complete and improved burglar-alarm system for the protection of its funds and securities.

W. B. Bonnifield, the President of the bank, secured the charter more than forty years ago, and through all the financial upheavals that have visited the country since that time the bank has promptly met all demands.

The Union Trust and Savings Bank is in the same rooms with the First National and under the same management.

—At a joint meeting of the directors of the Ottumwa National Bank and the Wapello County Savings Bank, July 12, W. S. Hogue resigned as Cashier, to engage in other business, and Robert W. Funk, who has been teller of the bank for three years, was elected as his successor in the bank. Mr. Funk was formerly connected with the Commercial Savings Bank, of Shenandoah, Iowa.

Bank Clerks' Convention.—The second national convention of the American Institute of Bank Clerks will be held at St. Louis, Mo., August 25, 26 and 27. Eastern delegates are to go in a special train leaving New York August 22. In addition to the attractions offered by the World's Fair, a fine programme has been prepared, and it is expected that there will be a large attendance and an interesting and profitable convention. The local arrangements are in charge of R. M. Richter, of the International Bank, St. Louis.

Ottawa, Ill.—The National City Bank is putting up a new building, which will have a frontage of forty-two feet, built of Bedford stone, and in the Grecian-Doric style. The interior will be in white and green marble, brass, bronze and mahogany. New vaults of the strongest pattern are a prominent feature. The banking rooms will be so arranged that each officer and clerk will have a separate room, all communicating with each other. Those engaged in constructing and furnishing the new building include Messrs. A. H. Andrews & Co., Chicago; Sanders Bros. Mfg. Co., Ottawa; Kesson White, architect.

Lincoln, Ill.—At a special meeting of the shareholders of the Lincoln National Bank July 12, a resolution was passed to increase the capital stock by $40,000, the new issue to be placed at $200 a share. This will make the capital $100,000 and the surplus $100,000.

The bank began business in 1885 and its business has grown until the deposits now average about $700,000. Officers of the bank are: President, Judge S. A. Foley; Vice-President, H. C. Quisenberry; Cashier, P. E. Kuhl; Assistant Cashier, E. H. Sanford.

La Crosse, Wis.—The Batavian Bank, one of the pioneer banks of this section, has given up its State charter and reorganized as the Batavian National Bank, increasing its capital and surplus from $250,000 to $500,000, making it the largest in the State outside of Milwaukee.

—The National Bank of La Crosse has absorbed the German-American Bank, and assumed all its liabilities, dating from June 20. It is expected that the new building of the National Bank of Lacrosse, which the bank will occupy exclusively, will be ready for occupancy about the first of next year.

Wisconsin Bankers' Association.—Preparations are about complete for the annual convention of the Wisconsin Bankers' Association, to be held at La Crosse, August 23 and 24. Following is the programme:

TUESDAY, AUGUST 23.

10 a. m.—Convention will be called to order in the council chamber of the City Hall and President E. E. Bentley of the Batavian National Bank will deliver the address of welcome on the part of the La Crosse Bankers' Club.

Response for the Wisconsin Bankers' Association by Joseph L. Fieweger, Cashier of the Bank of Menasha.

Annual address by John M. Holley, Cashier of the State Bank, La Crosse, President of the Association.

Reports of officers and the executive council, and consideration of same.

Appointment of committees on nominations and resolutions.

Paper by George P. Bartlett, Cashier Citizens' State Bank of Stanley: "The Group System; Is it Practicable and Desirable for Wisconsin?"

Discussion. Recess.

2 p. m.—Address by J. A. S. Pollard, Cashier of the Fort Madison (Iowa) Savings Bank: "A Necessary Vocation."

General discussion.

3:30 p. m.—Convention will adjourn for the day and members and their ladies will be tendered a steamboat excursion on the Mississippi River, returning by moonlight. Lunch will be served on the boat.

WEDNESDAY, AUGUST 24.

9 a. m.—Members of the association will be given a carriage ride about the city and to Pettibone Park. Carriages will leave the Hotel Stoddard.

10 a. m.—Address by Congressman John J. Esch: "Our Financial Policy in the Pacific."

Discussion of topics to be presented by members of the convention. Recess.

2 p. m.—Paper by John Puelicher, President of the Milwaukee Chapter, Institute of American Bank Clerks: "The work of the American Bank Clerks' Institute."

Report of the committee on resolutions.

Report of the committee on nominations.

3:30 p. m.—The convention will adjourn, and delegates are invited to accept the hospitality of the Schaghticoke Country Club, where a concert will be given by Dana's Third Regiment Band.

8 p. m.—The closing function of the convention will be a banquet at the Hotel Stoddard.

E. M. Wing, of the Batavian National Bank, La Crosse, has charge of the banquet. He has secured as speakers Joseph R. Chapman, Cashier of the Northwestern National Bank, Minneapolis, and Secretary of the Minnesota Bankers' Association, and Father A. Murphy, pastor of St. James' Church. It is expected that additional speakers will be secured.

A Bankers' Gift.—C. J. Weiser, of the Winneshiek County Bank, Decorah, Iowa, recently presented that town a handsome clock, the complete cost of which when installed will be from $1,200 to $1,800. It will be put in the court-house tower, and was intended by Mr. Weiser not only to show his regard for his home town, but as a memorial of his father and mother.

Milwaukee, Wis.—A booklet, setting forth the advantages of a trust company, has been issued by the Wisconsin Trust and Security Company. It is a remarkably attractive specimen of financial advertising, and should prove effective as a business-getter.

St. Paul, Minn.—At the June meeting of the trustees of the State Savings Bank Charles G. Lawrence resigned as President and was elected Treasurer. Chas. P. Noyes, of the wholesale drug house of Noyes Bros. & Cutter, was elected President to succeed Mr. Lawrence.

Indianapolis, Ind.—Ralph K. Smith, who has been connected with the Fletcher National Bank for twenty-one years, was appointed Assistant Cashier July 22.

Dubuque, Ia.—The German Trust and Savings Bank is putting in a new front to its building, also marble floor, steel ceiling and new decoration and fixtures. Steel-lined burglar-proof safes have also been added to the bank's equipment.

Davenport, Ia.—Wm. Heuer, city treasurer of Davenport, was recently elected Cashier of the Union Savings Bank, succeeding S. L. Ely, who died June 4.

Galesburg, Ill.—The bank of Galesburg ranks among the strong financial institutions of the State, having an earned surplus of $100,000—the same as the capital. This result has been achieved in less than twelve years.

Kewanee, Ill.—The Kewanee National Bank is remodelling its building, and will put in new decoration and furnishings in its banking rooms, greatly improving their appearance, and enlarging the bank's facilities for doing business.

Peru, Ill.—The Peru National Bank, which was established in 1883, recently moved into new quarters. Its rooms are of unusual elegance in their appointments and arrangement. The new safe, vault doors and safe-deposit boxes were furnished by the Mosler Safe Co., of Cincinnati, while the other fixtures were supplied by P. E. Hellum & Co.

PACIFIC SLOPE.

Resolutions of Washington Bankers.—A summary of the proceedings of the convention of the Washington State Bankers' Association, held at Walla Walla, June 16, 17 and 18, was published in the July issue of the MAGAZINE. The following resolutions, passed by the convention, were omitted for lack of space:

"*Resolved*, That the Washington State Bankers' Association most heartily endorses the noble work of the American Bankers' Association in affording the young men behind the grills in the banks of the country the advantages of a liberal education, and earnestly recommends not only the establishment of chapters in each of our large cities, but also that the bankers of the interior present the advantages of the Institute of Bank Clerks to their several employees.

Resolved, That the Washington State Bankers' Association earnestly endorses the bill now pending in the House of Representatives at Washington, introduced by Hon. John W. Gaines, of Tennessee, known as 'The Clean Money Bill,' and requests our Senators and Members of Congress to do all in their power towards securing its passage.

Resolved, That the Washington State Bankers' Association heartily favors the repeal of that portion of the National Bank Act that limits the redemption of National bank notes to $3,000,000 a month.

Resolved, That the executive council and the officers of this association use their utmost endeavors to secure the passage of an amendment to the Negotiable Instruments Act, limiting the time in which a bank may be liable for the payment of a forged or raised check.

Resolved, That the Washington State Bankers' Association recommend to the incoming Legislature the enactment of a fair and equitable State law regulating the organization and management of State banks."

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

Ansley National Bank, Ansley, Neb.; by Frank H. Young, et al.

Sargent National Bank, Sargent, Neb.; by Frank H. Young, et al.

Textile National Bank, Philadelphia, Pa.; by Joseph R. Embery, et al.

Ætna National Bank, New York, N. Y.; by C. Henry Mattlage, et al.

First National Bank, Mount Olive, Ill.; by C. B. Monday, et al.

Merchants' and Farmers' National Bank, Cisco, Tex.; by W. H. Eddleman, et al.

City National Bank, Texarkana, Tex.; by B. C. Barrier, et al.

First National Bank, Graceville, Fla.: by E. N. Dekle, et al.

Monroe National Bank, Monroe, Ia.; by Charles T. Schenck, et al.

First National Bank, Cornish, I. T.; by J. J. Cloughley, et al.

First National Bank, Stanton, Tex.; by J. P. Stone, et al.

German-American National Bank, Fort Wayne, Ind.; by Samuel M. Foster, et al.

First National Bank, Portage, Pa.; by Jos. W. Place, et al.

First National Bank, Santa Maria, Cal.; by John Boyd, et al.

First National Bank, Lumberton, N. C.; by John A. McAllister, et al.

First National Bank, Willows, Cal.; by Henry J. Barcelous, et al.

First National Bank, Fowler, Cal.; by C. L. Walter, et al.

First National Bank, Santa Anna, Tex.; by M. Tyson, et al.

Farmers' and Merchants' National Bank, Franklin, Ky.; by J. M. Crocker, et al.

First National Bank, Headland, Ala.; by G. H. Malone, et al.

North Bend National Bank, North Bend, Neb.; by Robert Scott, et al.

Parnassus National Bank, Parnassus, Pa.; by John M. Kennedy, et al.

Battery Park National Bank, New York, N. Y.; by H. T. Alexander, et al.

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Citizens' State Bank, Sioux City, Ia.: into First National Bank.

Clay County Bank, Vermillion, S. D.; into Vermillion National Bank.

West Virginia Savings & Trust Co., Huntington, W. Va.; into West Virginia National Bank.

Freehold Banking Co., Freehold, N. J.; into National Freehold Banking Co.

NATIONAL BANKS ORGANIZED.

7317—Bartlett National Bank, Bartlett, Tex. Capital, $35,000; Pres., Mary A. Bartlett, Vice-Pres., John T. Bartlett; Cas., T. B. Benson.

7318—First National Bank, Moline, Kan. Capital, $25,000; Pres., Frank Webb; Vice-Pres., J. S. Ames; Cas., Jinks Smethers.

7319—First National Bank, Cody, Wyo. Capital, $25,000; Pres., John Winterling; Vice-Pres., L. H. Brooks; Cas., I. O. Middaugh.

7320—First National Bank, Forsyth, Mont. Capital, $50,000; Pres., J. E. Edwards; Vice-Pres., Maurice Bentall; Cas.. E. F. Meyerhoff.

7321—Coalgate National Bank (successor to Citizens' Bank & Trust Co.) Capital, $50,000; Pres., C. B. Burrows; Vice-Pres., James McGinnis; Cas., E. C. Million; Asst. Cas., L. Elzey.

7322—First National Bank, Akron, Ia. (successor to Farmers' Loan & Trust Co.) Capital, $30,000; Pres., James F. Toy; Vice-Pres., M. A. Agnes; Cas., Geo. C. Eyland, Jr.; Asst. Cas., Harry C. Cain.

7223—Citizens' National Bank, El Dorado, Ark. Capital, $50,000; Pres., John F. Sample: Vice-Pres., Walter W. Brown; Cas., M. W. Hardy; Asst. Cas., E. H. Hearin.

7324—First National Bank, Finley, No. Dak. Capital, $25,000; Pres., C. L. Grandin; Vice-Pres., M. L. Elken; Cas., Elmer E. Taisey.

7325—First National Bank, Spencer, Neb. Capital, $25.000; Pres., F. M. Widner; Vice-Pres., Sanford Parker; Cas., F. W. Woods; Asst. Cas., L. G. Kloke.

7326—First National Bank, Cumberland, Ia. Capital, $25,000; Pres., A. Dixon; Vice-Pres., Hugh Waddell: Cas., C. A. Baker.

7327—Farmers and Merchants' National

Bank, Bellaire, O. Capital, $100,000; Pres., John Du Bois; Vice-Pres., Chalkley Dawson; Cas., R. L. Bowman; Asst. Cas., W. G. Simpson.

7328—City National Bank, Mangum, Okla. (successor to Farmers' State Bank). Capital, $25,000; Pres., J. Leadbetter; Vice-Pres., W. E. Norman; Cas., C. W. Gilliland.

7329—Nebraska National Bank, Norfolk, Neb. Capital, $50,000; Pres., G. D. Butterfield; Vice-Pres., C. A. Johnson; Cas., H. J. Miller.

7330—National Bank of Union Point, Union Point, Ga. Capital, $25,000; Cas., R. F. Bryan.

7331—Citizens' National Bank, Ennis, Tex. Capital, $50,000; Pres., J. Baldridge; Vice-Pres., T. A. Ferris; Cas., Fred A. Newton.

7332—Merchants' National Bank, Willow City, No. Dak. Capital, $25,000; Pres., J. Rosholt; Vice-Pres., J. H. Sunberg; Cas., Geo. Sunberg; Asst. Cas., M. G. Kimm.

7333—First National Bank, Dodge, Neb. Capital, $25,000; Pres., James H. Montgomery; Vice-Pres., John H. Longacre; Cas., A. J. Hasson.

7334—Bituminous National Bank, Winburne, Pa. Capital, $50,000; Pres., James L. Sommerville; Vice-Pres., O. L. Schoonover; Cas., J. Malcom Laurie.

7335—First National Bank, Hudson, S. Dak. Capital, $30,000; Pres., James F. Toy; Vice-Pres., H. A. Stoltenberg; Cas., C. C. Haas; Asst. Cas., Samuel N. Cutts.

7336—First National Bank, Madera, Cal. Capital, $25,000; Pres., L. D. Scott; Vice-Pres., J. L. Butin; Cas., L. Elliott.

7337—First National Bank, Anderson, Tex. Capital, $25,000; Pres., Geo. W. Riddle; Vice-Pres., John H. Kennard; Cas., Claude B. Granbury.

7338—First National Bank, Berryville, Va. Capital, $25,000; Pres., Charles M. Brown; Vice-Pres., Charles Mullikin; Cas., James W. Foley.

7339—First National Bank, Windsor, Ill. Capital, $25,000; Pres., John Moberley; Vice-Pres., Felix D. Hennigh; Cas., John W. Moberley.

7340—First National Bank, Burwell, Neb. Capital, $25,000; Pres., W. L. McMullen; Vice-Pres., E. Bailey; Cas., J. M. Conrad.

7341—First National Bank, Browns Valley, Minn. Capital, $25,000; Pres., F. H. Wellcome; Vice-Pres., S. Y. Gordon; Cas., S. J. La Due.

7342—First National Bank, Jacksonville, Ind. Capital, $25,000; Pres., Job Freeman; Cas., W. J. Freeman; Asst. Cas., W. E. Shepherd.

NEW BANKS, BANKERS, ETC.

ARKANSAS.

BERRYVILLE—People's Bank; capital, $10,000; Pres., A. S. Bobo; Vice-Pres., J. E. Reynolds; Cas., E. B. Hinchman; Asst. Cas., J. P. Oliver.

MAMMOTH SPRING—Citizens' Bank; capital, $10,000; Pres., J. A. Sigler; Vice-Pres., F. M. Daniel; Cas., C. W. Dixon.

NEW EDINBURG—Bank of New Edinburg; capital, $12,500; Pres., W. D. Attwood; Vice-Pres., J. J. T. Kendrick; Cas., E. T. Attwood.

CALIFORNIA.

BERKELEY—West Berkeley Bank (successor to Security Savings Bank); capital, $15,000; Pres., M. P. W. Albee; Vice-Pres., Francis Ferrier; Cas., H. H. Camper.

POMONA—Savings Bank & Trust Co.; capital, $25,000; Pres., L. T. Gillett; Vice-Pres., E. Hinman; Cas., F. C. Eells.

RIO VISTA—Bank of Rio Vista; capital, $25,000; Pres., L. P. Carson; Vice-Pres., R. D. Robbins; Cas., H. Perry.

SAN FRANCISCO—Monetary Trust Co.; capital, $300,000; Pres., H. B. Mayo; Vice-Pres., H. C. Cutting; Cas., H. W. Wernse; Sec., Albert Betz.

COLORADO.

NORWOOD—Bank of Norwood; capital, $10,000; Pres., Allen F. Billingsley; Cas., A. E. Guy.

FLORIDA.

ALACHUA—J. S. Fagan, Agent High Springs Bank.

GEORGIA.

NORWOOD—Bank of Norwood; capital, $25,000; Pres., L. O. Benton; Vice-Pres., J. S. Ward; Cas., R. R. Neal.

IDAHO.

ST. MARIES—Lumbermen's State Bank; capital, $10,000; Pres., E. N. Lindberg; Cas., S. G. Sargent.

ILLINOIS.

CHICAGO—Pan-American Banking Co. (successor to Henry L. Turner & Co.); Pres., W. H. Hunt; Vice-Pres., Henry L. Turner; Cas., F. D. McPherson.

DEPUE—Depue State Bank.

MURPHYSBORO—Citizens' State and Savings Bank (successor to Commercial Bank); capital, $50,000; Pres., John M. Herbert; Vice-Pres., J. J. Pierson; Cas., Phil Decker.

NEW BOSTON—State Bank (successor to Bank of New Boston); capital, $30,000; Pres., Anthony Imber; Vice-Pres., Kenneth M. Whitham; Cas., William McManus; Asst. Cas., Jessie B. Sloan.

INDIANA.

MILROY—Milroy Bank; Pres., Perry T. Innis; Cas., Geo. W. Allison; Asst. Cas., Edith M. Allison.

SILVER LAKE—Cavender & Co. (successor to Adam Stout & Co.); Pres., J. C. Cavender; Cas., C. E. Stout.

INDIAN TERRITORY.

TAHLEQUAH—Guardian Trust Co.; capital, $90,000; Pres., A. Outzen; Vice-Pres., C. D. McGreer; Sec. & Tr., Dave L. Guyette.

IOWA.

BURLINGTON — Burlington Savings Bank; capital, $100,000; Pres., H. D. Copeland; Vice-Pres., John Blaul; Cas., Geo. C. Siviler.

COIN—Farmers and Merchants' State Bank; capital, $25,000; Pres., Wm. Witson; Vice-Pres., J. F. Whitmore; Cas., T. E. Fordyce; Asst. Cas., R. O. Gamble.

DOW CITY—Bank of Dow City; Pres., W. A. McHenry; Vice-Pres., Sears McHenry; Cas., W. E. Fishel.

DUNDEE — Dundee Savings Bank; capital $10,000; Pres., H. A. von Oven; Vice-Pres., E. H. Hoyt; Cas., E. C. Hesner.

HANCOCK — Hancock Savings Bank (successor to Bank of Hancock); capital, $15,000; Pres., J. H. Jenks; Cas., Fred. J. Boie.

KIRON — Kiron State Bank (successor to Boyer Valley Banking Co.); capital, $25,000; Pres., Henry Hanson; Vice-Pres., August Lundell; Cas., W. J. Sandberg.

LEWIS—State Bank; capital, $25,000; Pres., W. J. Woodward; Vice-Pres., Anthony Morton; Cas., E. S. Phillips; Asst. Cas., W Theo. Woodward.

LUTHER — Luther Savings Bank; capital, $10,000; Pres., M. H. Thatcher; Vice-Pres., J. E. Bennett; Cas., O. M. Thatcher.

SOLDIER—Iowa Banking Co. (successor to Farmers' Loan and Trust Co.); Pres., James F. Toy; Vice-Pres., Lot Thomas; Cas., C. L. Harold.

UTE—Iowa Banking Co. (successor to Farmers Loan and Trust Co.); Pres., James F. Toy; Cas., H. A. Tincker; Asst. Cas., Jno. C. Jacobsen.

KANSAS.

ATWOOD—State Bank (successor to Bank of Atwood); capital, $10,000; Pres., F. S. Howard; Cas., C. F. Howard; Asst. Cas., Fred Howard.

DURHAM — Durham State Bank; capital, $10,000; Pres., S. L. Armstrong; Vice-Pres., J. C. Fast; Cas., A. W. Frick; Asst. Cas., H. B. Kliewer.

WASHINGTON—Farmers' State Bank; capital, $50,000; Pres., J. A. Boswell; Vice-Pres., J. W. Rector; Cas., W. E. Wilson.

KENTUCKY.

HENDERSON—Union Bank and Trust Co.; Pres., O. W. Rash; Cas., David Banks; capital, $100,000.

LOUISVILLE — Stockyards Savings and Deposit Bank; capital, $100,000; Pres., Lytle H. Hudson; Vice-Pres., H. M. Embry; Cas., C. H. Wulkop.

OWENSBORO—South Street Bank; capital, $15,000; Pres., John Thixton; Vice-Pres., Thomas S. Pettit; Cas., A. B. McCarty.

LOUISIANA.

BREAUX BRIDGE — People's Bank; capital, $25,000; Pres., Jos. Pellerin; Vice-Pres., H. P. Guilbeau; Cas., Alex. Pellerin.

NEWELLTON—Bank of Newellton; capital, $25,000; Pres., John Murdoch; Vice-Pres., Joseph Isaacs; Cas., John Hughes.

RINGGOLD—Bank of Ringgold; capital, $11,000; Pres., G. W. Lawhon; Vice-Pres., O. G. Thomas; Cas., D. P. Batchelor.

ZACHARY—Bank of Zachary; capital, $25,000; Pres., A. de Bretton; Vice-Pres., Leon H. Wolf; Cas., Albert Strenzke.

MARYLAND.

RIDGELY -Bank of Ridgely (successor to Ridgely Savings Bank); Pres., F. A. Smith; Vice-Pres., I. T. Saulsbury; Cas., Harry Gibson.

MICHIGAN.

COLEMAN—State Bank (successor to Coleman Bank(; capital, $20,000; Pres., C. H. Niggeman; Vice-Pres., J. E. Curtice; Cas., Wm. L. Ewing; Asst. Cas., W. G. McIntyre.

FOWLERVILLE.—State Commercial and Savings Bank; capital, $25,000; Pres., John C. Ellsworth; Vice-Pres., S. L. Bignall.

MINNESOTA.

ALPHA—State Bank (successor to Bank of Alpha); capital, $10,000; Pres., Geo. R. Moore; Vice-Pres., J. E. Krause; Cas., J. S. Crawley.

EVAN—State Bank; capital, $10,000; Pres., W. W. Smith; Vice-Pres., Jens Mikaelsen; Cas., F. A. Ruenitz.

FLOODWOOD—First State Bank; capital, $10,000; Pres., C. L. Dixon; Vice-Pres., M. H. Schussler; Cas., J. B. Mayer.

HINCKLEY—State Bank (successor to Bank of Hinckley); capital, $10,000; Pres., E. H. Holbert; Vice-Pres., Fred. Wenzel; Cas., P. A. Christianson; Asst. Cas., H. Stahnke.

KELLOGG—Bank of Kellogg; capital, $10,000; Cas., John Costello.

STARBUCK—Farmers' State Bank (successor to Bank of Starbuck); capital $12,500; Pres., Geo. W. Hughes; Vice-Pres., O. M. Cornell; Cas., A. Kopperud.

TENNEY—State Bank; capital, $10,000; Pres., A. J. Pithey; Vice-Pres., W. S. Rose; Cas., C. R. Verry.

MISSISSIPPI.

EDWARDS—Bank of Edwards; capital, $15,000; Pres., A. C. Jones; Vice-Pres., P. C. Barkaloo; Cas., W. A. Montgomery, Jr.

GREENWOOD—Bank of Commerce; capital, $100,000; Pres., T. N. Henderson; Vice-Pres., Alex. Henderson; Cas., R. C. King; Asst. Cas., Horace Roy.

GUNTOWN—Bank of Guntown; capital, $20,000; Pres., T. S. Greene; Vice-Pres., L. H.

Dabbs; Cas., N. H. Crenshaw.——People's Bank & Trust Co.; S. J. Rigbey, Manager.

MORTON—Bank of Morton: capital, $15,000; Pres., A. C. Jones; Vice-Pres., E. P. Howie; Cas., J. M. Stephenson; Asst. Cas., McN. Moore.

SARDIS—Panola County Bank; capital $30,-000; Pres., J. C. Kyle; Vice-Pres., L. F. Rainwater; Asst. Cas., J. M. Kyle.

MISSOURI.

ARROW ROCK—Arrow Rock Stock Bank; Pres., W. M. Tyler; Vice-Pres., W. B. Diggs; Cas., J. Paul Biggs.

BROOKFIELD—Moore Bank; capital, $15,000; Pres., J. A. Moore; Cas., J. W. Moore.

FLORISANT—Bank of Florisant; capital, $10,-000; Pres., N. N. Jensen; Vice-Pres., Aug. C. Albers; Cas., H. D. Batllet.

HERMANN—Farmers' & Merchants' Bank; capital, $30,000; Pres., Geo. Stark; Vice-Pres., August Begemann, Sr.; Cas., August Begemann, Jr.

NEBRASKA.

FAIRFIELD—Bank of Fairfield; capital, $20,-000; Pres., J. M. Marsh; Vice-Pres., G. M. Prentice; Cas., Ira Titus.

GERMANTOWN—Germantown State Bank (successor to Bank of Germantown); capital, $7,500; Pres., E. R. Gurney; Vice-Pres., N. E. Daily; Cas., J. W. Daily.

HAYES CENTER Farmers' State Bank; capital, $15,000; Pres., John B. Cruzen; Vice-Pres., G. W. Cruzen; Cas., S. M. Cruzen.

STOCKVILLE—Frontier County Bank; capital, $5,000; Pres., Geo. F. Sawyer; Cas., James G. Sawyer.

NEW JERSEY.

VINELAND—Vineland Trust Co.; capital, $100,000; Pres., M. J. Kimball; Vice-Pres., D. Harry Chandler; Treas., Harry H. Pond.

NEW YORK.

NEW YORK—Plympton, Gardiner & Co.

TUPPER LAKE—A. C. Wilcox & Co.; Cas., R. J. LaLone.

NORTH DAKOTA.

GRANVILLE—Farmers & Merchants' Bank; capital, $15,000; Pres., A. L. Ober; Vice-Pres., Geo. Loomis; Cas., R. C. Wedge.

OHIO.

GREEN CAMP—People's Bank; Pres. B. K. Herbster; Cas., J. F. Wotting; Asst. Cas., J. F. Moore.

OKLAHOMA.

NARDIN—Home State Bank; capital, $10,-000; Pres., John T. Stewart; Vice-Pres., T. V. Ogden; Cas., E. L. Griffin.

PENNSYLVANIA.

LANCASTER—Farmers' Trust Co.; Pres., J. W. B. Bausman; Vice-Pres., S. M. Seldomridge; Treas., C. A. FonDer-smith.

READING—Commercial Trust Co.; capital, $125,000; Pres., A. Thalheimer; Vice-Pres., Hunter Henninger; Treas., J. Hainmengel.

SOUTH DAKOTA.

ALCESTER—Alcester State Bank (successor to Bank of Alcester); capital, $15,000; Pres., F. E. Watkins; Vice-Pres., S. Brunskill; Cas., O. A. Abeel; Asst. Cas., H. M. Green.

FERNEY—First State Bank; capital, $10,000; Pres., Charles Fossow; Vice-Pres., W. L. Cook; Cas., J. E. Carroll; Asst. Cas., P. A. Burke.

MARION—Farmers' Trust and Savings Bank; capital, $10,000; Pres., Fred B. Townsend; Vice-Pres., E. J. Miller; Cas., Peter B. Dirks.

VERDON—Farmers and Merchants' State Bank; capital, $10,000; Pres., Milton Mathiew; Vice-Pres., J. B. Mehard; Cas., J. E. Carroll; Asst. Cas., J. H. Carroll.

TENNESSEE.

WAYNESBORO—Bank of Waynesboro; capital, $8,000; Pres., C. Buchanan; Vice-Pres., Jo. Youngblood; Cas., Norman E. Thaxton.

TEXAS.

BATSON—Citizens' Bank; capital, $10,000; Pres., H. C. Talbot; Cas., Chester Rugelow; Asst. Cas., W. F. Kendall.

GRAND PRAIRIE—Bank of Grand Prairie; capital, $15,000; Pres., D. E. Waggoner; Cas., J. F. Waggoner.

MADISONVILLE—Madison County Bank; Pres., John S. Kennedy; Cas., J. H. Robinson, Jr.

MUENSTER—Farmers and Merchants' Bank; capital, $7,500; Pres., Wm. Campbell; Vice-Pres., S. McCool; Cas., H. C. Blue.

RED OAK—Citizens' Bank; capital, $10,000; Pres., T. A. Ferris; Vice-Pres., W. A. Hazard; Cas., G. L. Logan.

WASHINGTON.

ANACORTES—Bank of Commerce; capital, $15,000; Cas., E. S. Martin; Asst. Cas., W. G. Smith.

CASHMERE—Farmers and Merchants' Bank; capital, $5,000; Pres., J. M. Tompkins; Cas., E. F. Stowell.

CONNELL—Bank of Connell; capital, $15,000; Pres., J. D. Bassett; Cas., W. H. Sutherland; Asst. Cas., A. G. Sutherland.

ENUMCLAW—State Bank (successor to Bank of Enumclaw); capital, $7,000; Pres., A. W. Stone; Vice-Pres., J. J. Smith; Cas., A. F. Stone.

MABTON—Mabton Bank; capital, $15,000; Pres., S. J. Harrison; Vice-Pres., T. S. Phillips; Cas., John C. Sanger.

WEST VIRGINIA.

PARKERSBURG—Parkersburg Banking and Trust Co.; Pres., John Q. Wallace; Vice-Pres., C. C. Wentz.

WISCONSIN.

HAYWARD—Hayward State Bank; capital, $15,000; Pres., J. A. Pugh; Vice-Pres., H. B. Shue; Cas., H. C. Kemp.

WOODVILLE—Citizens' State Bank; capital,

$10,000: Pres., J. C. Johnson; Vice-Pres., G. W. Harmon; Cas., C. E. Harmon.

WYOMING.

GRAND ENCAMPMENT — North American Trust Co. (successor to Copper State Bank); capital, $25,000; Pres., W. C. Henry; Vice-Pres., C. E. Knapp; Cas., Samuel R. Neel.

METEETSE—Wilson, Hays & Co.; capital, $10,-000; Pres., Daniel H. Wilson; Vice-Pres., Charles S. Wilson; Cas., W. Dean Hays.

CANADA.

NOVA SCOTIA.

ANTIGONISH—Bank of Nova Scotia; A. G. MacDonald, Manager.

RIVER HEBERT Bank of Nova Scotia.

WINDSOR—Bank of Nova Scotia; H. L. Shaw, Manager.

NORTHWEST TERRITORY.

LLOYDMINSTER—Canadian Bank of Commerce; C. E. Strickland, Act. Manager.

ONTARIO.

ARCONA—Sovereign Bank of Canada; F. M. P. Watts, Manager.

THEDFORD—Sovereign Bank of Canada (successor to J. Fuller).

QUEBEC.

ST. MARTINE—Banque d'Hochelaga; Alex. Lefort, Manager.

BRITISH COLUMBIA.

TRAIL—Bank of British North America; H. H. Rowley, Manager.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

HUNTSVILLE—W. R. Rison Banking Co.: A. L. Rison, Vice-Pres.; Harry M. Rhett, Cas.

ARIZONA.

PHŒNIX—Phœnix National Bank; R. B. Burmister, Asst. Cas., in place of W. F. Dodge.

ARKANSAS.

CORNING—First National Bank; L. F. Maynard, Cas., in place of H. W. Conger.

EUDORA—Bank of Eudora; A. P. Fairhurst, Cas., deceased.

MANSFIELD—Bank of Mansfield; capital stock increased to $50,000.

PINE BLUFF—Merchants & Planters' Bank; Virginius D. Wilkins, Pres., deceased.

CALIFORNIA.

IMPERIAL—First National Bank; Leroy Holt, Pres., in place of W. F. Holt; Geo. A. Cater, Cas., in place of Leroy Holt.

LOS ANGELES—Union Bank of Savings and Columbia Savings Bank; reported consolidated.

OAKLAND—Union Savings Bank; Charles T. Rodolph, Vice-Pres., in place of Charles E. Palmer.

SAN PEDRO—First National Bank; W. A. Bonynge, Pres., in place of A. P. Culley; Roman D. Sepulveda, Vice-Pres.; A. G. Sepulveda, Asst. Cas.

GEORGIA.

CUTHBERT—Bank of Randolph; capital increased to $50,000.

MARIETTA—First National Bank; A. H. Gilbert, Cas., in place of C. S. McCandlish; J. E. Massey, Asst. Cas.

SAVANNAH—National Bank of Savannah; Sigo Myers, Vice-Pres.

IDAHO.

CALDWELL—First National Bank; W. T. Sebree, Vice-Pres., in place of B. F. White; R. A. Cowden, Cas., in place of W. R. Sebree.

ILLINOIS.

CHENOA—State Bank; Charles Nickel, Pres.; L. L. Silliman, Cas.

CHICAGO—First National Bank; F. O. Wetmore, Asst. Cas. in place of Edward Dickinson——National Bank of the Republic; Thomas Jansen, Asst. Cas.

DECATUR—National Bank of Decatur; capital increased to $200,000; D. S. Shellabarger, Pres. in place of K. H. Roby; John Ullrich, Vice-Pres. in place of D. S. Shellabarger.

EAST ST. LOUIS—East St. Louis Trust and Savings Bank; consolidated with Southern Illinois National Bank.

GALESBURG — Galesburg National Bank; James H. Losey, Cas., resigned.

HUME—Hughes Bank; H. E. Shepherd, Cas., deceased.

LINCOLN—Lincoln National Bank: capital, $100,000; surplus, $100,000.

MOLINE—First National Bank; F. W. Gould, Pres. in place of J. M. Gould.

PEORIA — Commercial-German National Bank; E. A. Cole, Cas. in place of Weston Arnold.

SAN JOSE—San Jose State Bank; S. C. Linbarger, Cas., deceased.

INDIANA.

CHARLESTOWN—Bank of Charlestown; John D. Wright, Pres. in place of M. B. Cole; J. F. Baird, Vice-Pres.

INDIANAPOLIS — Fletcher National Bank; Ralph K. Smith, Asst. Cas.

NORTH MANCHESTER — Lawrence National Bank; Clement L. Arthur, Cas. in place of John W. Mills; R. C. Hollinger, Asst. Cas. in place of Clement L. Arthur.

TELL CITY—Tell City National Bank; C. Switzer, Pres. in place of John Herrmann, deceased; Wm. J. Becker, Vice-Pres. in place of C. Switzer.

INDIAN TERRITORY.

OKMULGEE—Citizens' National Bank; A. F. Seider, Cas. in place of C. E. Rogers; M. F. Graham, Asst. Cas.

TISHOMINGO—American National Bank; C.

B. Burrows, Pres. in place of L. C. Parmenter; E. C. Million, Vice-Pres.

VINITA — Farmers' National Bank; E. C. Stretch, Pres. in place of F. M. Smith; no Vice-Pres. in place of E. C. Stretch; F. M. Smith, Cas. in place of J. M. Smith.

IOWA.

ANTHON—Anthon State Bank; D. H. Hawthorne, Cas. in place of C. E. Hess, resigned.

DAVENPORT—Union Savings Bank; Wm. Heuer, Cas. in place of S. L. Ely, deceased. ——Farmers and Mechanics' Bank: Fred Heinz, Pres., deceased.

LEON—Exchange National Bank; W. J. Edwards, Asst. Cas., deceased.

OTTUMWA—Ottumwa National Bank; R. W. Funk, Asst. Cas. in place of W. S. Hogue.

KANSAS.

BUCKLIN—Bucklin State Bank and Western State Bank; consolidated under former title.

CENTRALIA—First National Bank; J. B. Lohmuller, Cas. in place of A. S. King.

FORT SCOTT—Bank of Fort Scott; reported absorbed by First National Bank.

LINCOLN—Farmers' National Bank; D. C. Stelson, Vice-Pres. in place of O. B. Whitaker.

KENTUCKY.

DANVILLE—Farmers' National Bank; Charles P. Cecil, Vice-Pres. in place of Thomas McRoberts, deceased.

LOUISVILLE—Western Bank; Louis F. Metz, Cas., *pro tem.*, in place of B. Frese.

OLIVE HILL—Olive Hill National Bank; E. S. Hitchins, Vice-Pres.

WEST POINT—Kentucky and Indiana Bank; Pres., J. H. Yancey; Vice-Pres., E. H. Shellman; Cas., C. M. McGlothlan.

WINCHESTER—Citizens' National Bank; S. W. Willis, Pres. in place of W. Miller; J. D. Simpson, Vice-Pres. in place of S. W. Willis.

LOUISIANA.

MONROE—Ouachita National Bank; Uriah Millsaps, Pres. in place of D. A. Breard, Jr.; Frank P. Stubbs, Vice-Pres. in place of Uriah Millsaps.

MAINE.

FORT KENT—Fort Kent Trust Co.; B. A. Hennebery, Cas., deceased.

GUILFORD — First National Bank; M. R. Morgan, Pres. in place of Henry Hudson.

MARYLAND.

BALTIMORE—Commercial and Farmers' National Bank; Charles Smith, Asst. Cas. in place of Wilson Keyser.

BELAIR—Second National Bank; Harry F. Adams, Cas. in place of Walter Finney.

ELKTON—National Bank of Elkton; C. C. Strickland, Asst. Cas.

MASSACHUSETTS.

ABINGTON—Abington Savings Bank; Florence L. Beal, Asst. Treas.

BOSTON—Commonwealth Trust Co.; Arthur P. Stone, Vice-Pres.——Warren Institution for Savings; Geo. S. Poole, Pres.

CAMBRIDGE — Cambridge Savings Bank; Charles W. Sever, Pres., deceased.

FAIRHAVEN—National Bank of Fairhaven; Levi M. Snow, Pres. in place of C. H. Morton; no Vice-Pres. in place of Levi M. Snow.

GARDNER — First National Bank; V. W. Howe, Pres. in place of John D. Edgell; Arthur P. Derby, Vice-Pres. in place of Charles W. Conant; A. B. Bryant, Cas. in place of V. W. Howe.

GRAFTON—Grafton National Bank; no Vice-Pres. in place of Albert L. Fisher.

LAWRENCE — Arlington National Bank; James Houston, Cas. in place of Fred L. Leighton.

MALDEN—Malden Savings Bank; Roswell R. Robinson, Acting Pres. in place of James F. Pierce, deceased.

MIDDLEBORO — Middleboro Savings Bank; James H. Harlow, Pres., deceased.

NEWBURYPORT — Ocean National Bank; Frank F. Morrill, Pres. in place of M. H. Fowler.

NORTH ADAMS—Adams National Bank; H. W. Clark, Vice-Pres. in place of A. C. Houghton.

PALMER – Palmer National Bank; C. H. Hobbs, Pres. in place of Edward Fairbanks; Jos. F. Holbrook, Vice-Pres. in place of C. H. Hobbs.

PLYMOUTH—Old Colony National Bank; G. F. Holmes, Vice-Pres. in place of James D. Thurber.

SPRINGFIELD — Springfield Institution for Savings; Julius H. Appleton, Pres., deceased.

WINCHENDEN—First National Bank; R. D. Crain, Cas. in place of C. L. Beals.

MICHIGAN.

PORT HURON—Commercial Bank; William Hartsuff, Vice-Pres., deceased.

SAGINAW—Citizens' Bank; business transferred to People's Savings Bank.

MINNESOTA.

HENNING—First National Bank; F. G. Barrows, Pres. in place of F. B. Coon; R. R. Patterson, Cas. in place of H. H. Brutlag.

MISSOURI.

ALBANY—First National Bank; V. R. Twist, Vice-Pres.; B. F. Hardin, Cas.; Roy F. Forbis, Asst. Cas.——Gentry County Bank; capital increased to $50,000.

BLOOMFIELD — People's Bank; capital increased to $25,000.

GALLATIN—First National Bank; James Tuggle, Pres. in place of W. L. Brosius; S. T. Brosius, Vice-Pres. in place of Howard Poage; James N. Netherton, Cas. in place of R. G. Sheets; no Asst. Cas. in place of R. C. Clevinger.

LIBERAL—First National Bank; V. E. Simms, Cas. in place of D. B. Horton.

ROSENDALE — Rosendale Bank; Hezekiah Watson, Vice-Pres., deceased.

TRENTON—Trenton National Bank; C. A. Hoffman, Pres. in place of John J. Moore.

MONTANA.

KALISPELL—First National Bank; F. J. Lebert, Asst. Cas.

MISSOULA—First National Bank; Abner G. England, Vice-Pres., deceased.

NEBRASKA.

BLOOMFIELD—First National Bank; Fred. Volpp, Cas. in place of A. J. Lindstrom.

DILLER—Diller State Bank; James T. Bell, Vice-Pres., deceased.

NORTH PLATTE—First National Bank; Arthur McNamara, Pres. in place of H. S. White; C. F. McGrew, Vice-Pres. in place of Arthur McNamara; F. L. Mooney, Cas., in place of Arthur McNamara; no Asst. Cas. in place of F. L. Mooney.

WILBER—National Bank of Wilber; John F. Spirk, Pres. in place of D. B. Cropsey.

NEW JERSEY.

DOVER—National Union Bank; no Cas. in place of Walter L. Day.

NEWARK—Manufacturers' National Bank; J. W. Plume, Pres., in place of S. S. Battin, deceased; William J. Gardner, Cas. in place of J. W. Plume.

POINT PLEASANT—Clarence Chafey, Cas. in place of Jasper Bray.

PRINCETON—Princeton Bank; Leavitt Howe, Vice-Pres., deceased. —— First National Bank; D. M. Flynn, Cas. in place of H. S. Blackwell.

NEW MEXICO.

ARTESIA—First National Bank; Stephen W. Gilbert, Pres. in place of R. M. Ross; Jno. S. Major, Vice-Pres.; R. M. Ross, Cas. in place of A. L. Norfleet.

RATON—First National Bank and Citizens' National Bank; consolidated under former title.

ROSWELL—Roswell National Bank; R. L. Bradley, Pres., in place of Jerrie McCluskey; Geo. M. Slaughter, Vice-Pres. in place of R. L. Bradley; C. L. Stone, Cas. in place of C. B. McCluskey.

NEW YORK.

LOWVILLE—Black River National Bank; F. S. Easton, Pres. in place of Charles P. Leonard, deceased; Geo. Sherwood, Cas. in place of F. S. Easton.

NEW PALTZ—Huguenot National Bank; Easton Van Wagenen, Cas.

NEW YORK—West Side Savings Bank; Clarence O. Bigelow, First Vice-Près. in place of John S. Scully, deceased; Joseph Rowan, Second Vice-Pres.——Trust Company of America; William H. Leupp, Pres. in place of Ashbel P. Fitch, deceased.——Goldman, Sachs & Co.; Marcus Goldman, deceased.

OSWEGO—Second National Bank; Geo. B. Sloan, Pres., deceased.

SARATOGA SPRINGS — Citizens' National Bank; C. D. Thurber, Cas. in place of J. H. DeRidder.

SYRACUSE—Salt Springs National Bank; Leonard H. Groesbeck, Cas. in place of W. A. Wynkoop.

WATERTOWN—National Union Bank; Lewis R. Washburn, Cas. in place of Addison L. Upham, deceased.

NORTH CAROLINA.

DURHAM—Citizens' Savings Bank and Home Savings Bank; consolidated under latter title; Geo. W. Watts, Pres.; W. W. Whitted, Cas.

WILMINGTON—Atlantic National Bank; J. N. Yates, Cas. in place of Andrew Moreland; M. F. Allen, Asst. Cas. in place of J. N. Yates.

OHIO.

CINCINNATI—Ohio Valley National Bank; O. H. Tudor, Cas., deceased.——Fifth National Bank; Charles H. Shields, Asst. Cas.

CIRCLEVILLE—Second National Bank; S. T. Ruggles, Pres. in place of S. H. Ruggles.

CLEVELAND—Cleveland National Bank; T. E. Borton, Asst. Cas. in place of Geo. E. Feller.

FREMONT - Farmers' Bank; business transferred to Colonial Savings Bank and Trust Co.

LOUDONVILLE—First National Bank; D. H. Graven, Cas. in place of S. A. Raridon; M. J. Wolf, Asst. Cas.

MACKSBURG—Commercial Bank; Walter E. Fisher, Cas. in place of John E. Beckett, resigned.

MCCONNELLSVILLE - First National Bank; H. B. Vincent, Vice-Pres.

MIAMISBURG—Citizens' National Bank and First National Bank; consolidated under latter title.

MONROEVILLE—First National Bank; Pitt Curtiss, Pres. in place of A. M. Stentz; A. M. Stentz Vice-Pres.; Geo. S. Powley, Cas. in place of B. W. Salisbury, deceased; no Asst. Cas. in place of Geo. S. Powley.

MONTPELIER—First National Bank; A. C. Hause, Cas. in place of O. M. Burns; S. B. Walters, Asst. Cas.

PLYMOUTH--First National Bank; D. Wyandt, Vice-Pres. in place of W. B. Cuykendall, deceased.

OKLAHOMA.

CHEROKEE—First National Bank; H. C. Fellow, Pres. in place of E. J. Votaw; R. H. Dunnington, 2d Vice-Pres. in place of H. C. Fellow.

NORMAN—National Bank of Norman; W. R. Haines, Pres.

TONKAWA—Bank of Tonkawa; capital increased to $25,000.

OREGON.

LA GRANDE—La Grande National Bank; Geo.

Palmer, Pres. in place of R. Smith; Geo. L. Cleaver, Asst. Cas.

PENNSYLVANIA.

COLUMBIA—First National Bank; Horace Detwiler, Asst. Cas.

ELIZABETHTOWN—Elizabethtown National Bank; W. J. Smith, Pres.; B. G. Graff, Vice-Pres. in place of W. J. Smith.

HAWLEY—First National Bank; Lewis P. Cooke, Vice-Pres. in place of Henry A. Plum, deceased.

LANGHORNE—People's National Bank; Horace G. Mitchell, Cas. in place of Gove Mitchell, deceased; no Asst. Cas. in place of Horace G. Mitchell.

LEBANON—First National Bank; D. J. Leopold, Cas. in place of C. W. Few, deceased; no Asst Cas. in place of D. J. Leopold.

MONONGAHELA—Alexander & Co.: Joseph Alexander, deceased.

NEW HOLLAND—New Holland National Bank; James Diller, Pres. in place of Cornelius F. Roland; Geo. O. Roland, Cas. in place of James Diller; no Asst. Cas. in place of Geo. O. Roland.

PITTSBURG—Fifth National Bank; F. L. Stephenson, Vice-Pres.

TYRONE—Farmers and Merchants' National Bank; A. M. Brown, Pres. in place of E. J. Pruner.

RHODE ISLAND.

PROVIDENCE—Westminster Bank; Arthur W. Simons, Cas., deceased.

SOUTH CAROLINA.

GAFFNEY—National Bank of Gaffney; D. C. Ross, Pres. in place of F. G. Stacy, deceased; M. Smyth, Cas. in place of D. C. Ross; C. W. Hamer, Asst. Cas. in place of M. Smyth.

SPARTANBURG—Bank of Spartanburg; Arch B. Calvert, Pres.; V. M. Montgomery, Vice-Pres.; T. M. Evins, Cas.; T. J. Boyd, Asst. Cas.

SOUTH DAKOTA.

REDFIELD—Redfield National Bank; A. B. Darling, Asst. Cas.

TENNESSEE.

ADAMS—Bank of Adams; Sterling Fort, Cas. in place of O. E. Layne, resigned.

CLARKSVILLE—First National Bank; B. H. Owen, Pres. in place of J. M. Macrae.

SPARTA—People's Bank; Geo. Nowlin, Asst. Cas. in place of J. N. Cox.

TEXAS.

CLIFTON—First National Bank; O. A. Bronstad, Asst. Cas.

DALHART—First National Bank; T. L. Bremer, Asst. Cas. in place of W. E. Smith.

DEL RIO—First National Bank; W. R. Wheeler, Asst. Cas. in place of John W. Almond.

EMORY—First National Bank; W. T. Neilson, Asst. Cas.

GALVESTON—Texas Bank and Trust Co.; F. P. Evans, Asst. Cas., reported an embezzler.

HICO—Hico National Bank; A. C. Petty, Vice-Pres. in place of J. H. Hill; W. Pitt Barnes, Cas. in place of Jno. M. Cage; no Asst. Cas. in place of W. Pitt Barnes.

HONEY GROVE—Planters' National Bank; J. W. Blocker and F. E. Wood, Asst. Cas.

MEXIA—First National Bank; W. L. Murphy, Vice-Pres. in place of J. M. Long.

ORANGE—Orange National Bank; E. W. Bancroft, Vice-Pres. in place of G. M. Sells.

WYLIE—First National Bank; T. H. Leeves Pres. in place of B. C. Barrier; G. C. Kreymer, Vice-Pres. in place of T. H. Leeves.

VERMONT.

BENNINGTON—Bennington County Savings Bank; Alonzo E. Valentine, Pres., deceased.

ST. ALBANS—Welden National Bank: F. Stewart Stranahan, Vice-Pres., deceased.

VIRGINIA.

COVINGTON—Citizens' National Bank; Thomas Luke, Pres. in place of R. F. Bopes.

LYNCHBURG—Lynchburg National Bank; Frank Stevens, Asst. Cas. in place of R. E. Bolling.

NORFOLK—Citizens' Bank; W. W. Moss, Pres.; J. W. Berry, 1st Vice-Pres.; Mc.D. L. Wrenn, 2d Vice-Pres.; Tench F. Tilghman, Cas.; Norman Bell, Jr., Asst. Cas.

WILLIAMSBURG—Peninsula Bank; R. L. Spencer, Pres. in place of E. W. Warburton; E. W. Warburton, Vice-Pres.

WASHINGTON.

PULLMAN—First National Bank; Gay Lombard, Vice-Pres. in place of B. Lombard, Jr.; F. T. Greer, Cas. in place of Gay Lombard; no Asst. Cas. in place of F. T. Greer.

WISCONSIN.

LA CROSSE—National Bank of La Crosse; Joseph Boschert, Asst. Cas.

OSHKOSH—National Union Bank; R. H. Hackett, Cas., resigned.

SPARTA—Bank of Sparta; capital increased to $50,000.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

LONG BEACH—American National Bank; in voluntary liquidation, June 30.

MASSACHUSETTS.

BOSTON—National Bank of Redemption; in voluntary liquidation May 31.

MICHIGAN.

WHITE PIGEON—State Bank.

NEW MEXICO.

RATON—Citizens' National Bank; in voluntary liquidation July 7.

NEW YORK.

NEW YORK—Eastern Trust Co.; in liquidation.

OHIO.

LANCASTER—Lancaster Bank.

CLEVELAND—State National Bank; in voluntary liquidation July 1.

OKLAHOMA.

WEATHERFORD—National Exchange Bank; in voluntary liquidation June 7.

PENNSYLVANIA.

WASHINGTON—Old National Bank; in voluntary liquidation July 20.

TENNESSEE.

KNOXVILLE—Marble City Bank; in voluntary liquidation.

WISCONSIN.

MAUSTON—State Bank.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK. August 2, 1904.

FAVORABLE CONDITIONS RATHER THAN IMPORTANT EVENTS have dominated financial affairs in the last month. Easy money, good crop reports, some improvement in railroad earnings, and an upward tendency in prices of securities were among the noticeable conditions. The stock market, while strong during most of the month, had its weak turns, and did not hold all of its advance in the latter part of the month. In fact, there is a difference of opinion as to whether the market will go up or down.

On the other hand, good issues of bonds have been bought liberally and prices have advanced. There seems to be a better opportunity for railroads to obtain loans than was the case a few months ago.

As to the future of the money market, there seems to be no reason to anticipate any stringency. The reserves of the local banks are exceptionally large, and the clearing-house banks in New York now have a surplus reserve larger than has been reported at any previous time in six years. Loans and deposits have reached the highest figures ever recorded. Should there be an increased demand for money and loaning rates advanced, there is hardly any question that relief would be promptly obtained from abroad, either by replacing loans now carried here or by direct shipment of gold to this side.

The probable influence of the coming political campaign upon business is being discussed, but it is not generally thought that politics will seriously interfere with business activity, other things being favorable. There is the possibility that organized labor may seize the opportunity of a Presidential election to present demands and inaugurate strikes, which it might not care to press when politicians and even statesmen are less subservient.

The meat packers' strike began early in the month, and has affected a large number of establishments and individuals. Announcement was made on July 14 that the wages of employes in the Fall River mills would be reduced 12½ per cent. on July 25, and some 26,000 mill hands have gone out on a strike. This is only one of many indications that the scale of wages generally is tending downward. While there are some strikes under way for higher wages, the tendency is for wage earners to get less than they did in the last few years. Many of the railroads are now trying to economize by reducing wages and also the number of men employed.

While labor troubles may cut some figure in the political situation this autumn, there is a source of relief that the money standard is not to be a real issue. At least the candidate nominated by the Democratic party has announced that he considers the gold standard established and will govern himself accordingly. This leaves the integrity of our currency system outside of politics for the present at least.

For a time during the month there were rumors of a possible intervention in the Russian-Japanese war of other powers. Great Britain and Germany were both involved in these rumors, which were based on the seizure and stoppage by a Russian armed vessel of merchantmen belonging to those countries. The reports had some influence in Wall street temporarily, but the view that Russia was developing a policy that would arouse new antagonists against her was soon abandoned.

An event of the month which was awaited with exceptional interest was the issuing of a statement of the earnings of the United States Steel Corporation for the quarter ending June 30. When the statement was made public it was apparent that the steel industry had been in a far from prosperous condition. The total net earnings for the three months were $19,490,725, which compares with $13,208,886 for the first quarter of the year, but with $36,642,308 for the corresponding period of 1903. The falling off in earnings this year as compared with the previous year will be seen in the following comparative statement:

	1903.	*1904.*	*Decrease.*
January	$7,425,775	$2,868,213	4,557,564
February	7,730,361	4,540,673	3,189,688
March *	9,912,571	5,800,000	4,112,571
1st quarter	$25,068,707	$13,208,886	11,859,821
April	10,905,204	6,863,833	4,041,371
May	12,744,324	6,256,518	6,487,806
June	12,992,780	6,370,374	6,622,406
2d quarter	$36,642,308	$19,490,725	17,151,583
Six months	61,711,015	32,699,611	29,011,404

* Estimated.

While the net earnings have increased as compared with those reported in the first three months of the year, there has been practically no improvement when the larger earnings of a year ago are taken into account. The net earnings in June were less than 50 per cent. of those in June last year, while in both May and June the earnings were less than in April.

Out of the net earnings, $469,425 was appropriated to sinking funds, and $3,528,-487 for depreciation and reserve funds. Interest and sinking funds called for $6,-879,675, which left $9,082,563 applicable to dividends. Deducting $6,304,919, representing 1¾ per cent. quarterly dividend on the preferred stock, there is a surplus left of $2,777,644, as compared with a deficit of $1,857,120 for the previous quarter. The showing, therefore, for the first half of 1904 is a surplus of $920,524. In the first half of 1903 the corporation had a surplus of $17,087,047 after paying the same dividends as this year on the preferred stock and 2 per cent. on the common stock.

One item is not included in the statement. The corporation deducts each year $10,000,000 on account of a "special fund for depreciation, improvements and construction." Were $5,000,000 to be deducted for the first six months of 1904, instead of a surplus of $920,524 being shown, there would be a deficit of $4,079,476.

As to the future the orders on hand on June 30 furnish some index. These it appears are the smallest in volume for any quarter in the history of the Steel Trust. There were only 3,192,277 tons on June 30 as compared with 4,136,961 tons on March 31, 3,215,123 tons on December 31, 1903, 4,666,578 tons on June 30, 1903, and 4,741,-993 tons on June 30, 1902.

The production of iron and steel is falling off, while consumption is still less than production. In June there was only about 1,300,000 tons of pig iron produced, as compared with an average of more than 1,500,000 tons monthly in March, April and May, and with nearly 1,700,000 tons in June, 1903. The weekly capacity of furnaces in blast on July 1 was 272,301 tons, as compared with 336,197 tons on June 1 and 368,244 tons on May 1, and since July 1 there has been a further decrease. The estimated production of pig iron in the first six months of 1904 was 7,956,392 tons, as against 8,029,845 tons in the second half of 1903, and 9,473,723 tons in the first half of 1903. The decrease as compared with last year is more than 1,500,000 tons, and the output is now at the rate of nearly 6,000,000 tons a year less than it was a year ago.

The iron trade is less affected by railroad construction than it was in years gone by, but there has been a decrease in the building operations of the railroads. It is estimated that about 1,940 miles of railroad were constructed in the first half of the year, as compared with 2,221 miles in the corresponding period last year. At the present rate of building the year's total will be 5,000 miles, as compared with 5,786 reported in the year 1903. Even this smaller total, however, will exceed the new mileage of any other year since 1890.

It is of some interest to note here that very few railroads have become financially embarrassed. The record made by the "Chicago Railway Age" shows that of nearly 1800 operating and subsidiary roads only six, representing about 300 miles of road, have been placed in the hands of receivers since January 1. The total stock and bonds representing these properties were only $10,514,800. It is a further interesting fact that only twenty railways, operating less than 1,000 miles, are under receivers' care. Seven roads, with a total extent of 169 miles, and a stock and bond capital of $6,187,000, were sold under foreclosure in the first six months of 1904. This is an exceptionably favorable showing.

As to the general condition of the railroads of the country, the statistical report of the Interstate Commerce Commission, just published, furnishes some information, but only to June 20, 1903. This shows that the total capital stock on that date was $6,155,559,032, and funded debt, $6,444,431,226. The dividends paid amounted to $196,728,176, as compared with $185,391,655 in 1902. The gross earnings were $1,900,846,907, an increase over the previous year of $174,466,640, and the net earnings were $643,308,055, an increase of $32,176,535. The increase in net earnings was less than 20 per cent of the increase in gross earnings. After paying dividends there was a surplus of $99,227,464, as compared with $94,855,088 in 1902.

It may be doubted if the railroads will make so fair an exhibit for the year ended June 30, 1904. Earnings have not been as favorable as they were in the previous year. For the first six months of 1904 the estimated gross earnings of a number of railroads are reported by the "Financial Chronicle" at $716,096,159, against $728,134,802 in 1903, a decrease of $12,038,643, the first decrease reported since 1897. The decrease is less than 2 per cent., and follows increases of $84,000,000 in 1903, of $42,000,000 in 1902, of $56,000,000 in 1901, and of $69,000,000 in 1900.

While the gross earnings show a very slight falling off, the net earnings are much less favorable. The latest returns of net earnings cover only the five months ended May 31. While the gross earnings during that period were $529,641,228, and showed a decrease compared with 1903 of $6,785,173, the net earnings were $138,-488,416, and showed a loss of $21,309,896. This loss represents very closely the gain in net earnings in the first half of each of the two previous years. The railroads have been doing something in the way of reducing expenses, but they have a very large amount of cutting yet to do, if they are to restore their net earnings to the former ratio to gross earnings.

The export trade of the United States in recent years has been less dependent upon agricultural products than formerly was the case. Of the $1,420,000,000 exports in the last fiscal year less than $86,000,000 consisted of wheat, and $68,000,000 of wheat flour. We exported less than $30,000,000 of corn, and only about $142,-

	Breadstuffs.	*Provisions.*	*Cotton.*	*Petroleum.*	*Total domestic products.*
1898	$324,700,060	$158,090,561	$229,940,477	$55,171,001	$804,818,581
1899	263,655,106	162,868,784	209,612,844	55,317,269	720,270,671
1900	253,454,703	168,894,458	241,666,165	74,454,660	767,504,382
1901	267,487,239	180,024,817	313,283,573	69,905,888	867,238,579
1902	205,022,669	181,769,921	290,441,351	70,948,609	777,559,260
1903	213,043,296	160,613,967	315,897,568	65,298,303	784,731,143
1904	142,709,484	157,616,245	370,490,583	76,805,139	790,136,870

700,000 of breadstuffs. Cotton exports aggregated $370,000,000, provisions $157,-000,000, petroleum $76,000,000, and all domestic products $790,136,870. The exports of some of the principal products in the last seven years are shown on page 255.

In the last few years the foreign commerce of the country has reached proportions far exceeding all previous records. The exports of merchandise in the fiscal year ended June 30, 1904, were exceeded once, in 1901, and the imports once, in 1903, but the total imports and exports were the largest ever recorded in a single year. The following table shows the total merchandise movement yearly since 1890:

YEARS ENDING JUNE 30.	*Imports.*	*Exports.*	*Excess of exports over imports.*	*Total exports and imports.*
1890	$789,310,409	$857,828,684	$68,518,275	$1,647,139,093
1891	844,916,196	884,480,810	39,564,614	1,729,397,006
1892	827,402,462	1,030,278,148	202,875,686	1,857,680,610
1893	866,400,922	847,665,194	*18,735,728	1,714,066,116
1894	654,994,622	892,140,572	237,145,950	1,547,135,194
1865	731,969,965	807,538,165	75,568,200	1,539,508,130
1896	779,724,674	882,606,938	102,882,264	1,662,331,612
1897	764,730,412	1,050,993,556	286,263,144	1,815,723,968
1898	616,049,654	1,231,482,330	615,432,676	1,847,531,984
1899	697,148,489	1,227,023,302	529,874,813	1,924,171,791
1900	849,941,184	1,394,483,082	544,541,898	2,244,424,266
1901	823,172,165	1,487,764,991	664,592,826	2,310,937,156
1902	903,320,948	1,381,719,401	478,398,453	2,285,040,349
1903	1,025,719,237	1,420,141,679	394,422,442	2,445,860,916
1904	990,745,081	1,460,829,539	470,084,455	2,451,574,623

*Excess of imports over exports.

The total foreign trade now amounts to nearly $2,500,000,000 per annum, imports aggregating nearly $1,000,000,000 and exports $1,500,000,000. The exports alone are nearly equal to the total imports and exports of a few years ago. In the last nine years the exports of merchandise have exceeded the imports by $4,086,-000,000, an average of $454,000,000 a year. Beside that, the exports of silver amounted to $225,000,000, yet the net amount of gold imported in the nine years was only about $150,000,000. The gold and silver net exports and imports yearly in the last nine years have been:

YEAR ENDED JUNE 30.	*Gold.*		*Silver.*	
1896	Exports,	$78,884,882	Exports,	$31,764,484
1897	Imports,	44,653,200	"	31,413,411
1898	"	104,985,283	"	24,177,458
1869	"	51,432,517	"	25,643,999
1900	Exports,	3,693,575	"	21,455,973
1901	Imports,	12,866,010	"	27,898,659
1902	"	3,452,304	"	21,500,136
1903	Exports,	2,108,568	"	20,086,768
1904	Imports,	17,535,128	"	21,783,680

Were the export trade dependent upon wheat and other breadstuffs, it is plain that the exports last year would have been very much less than in many years past. Compared with 1898 the export of breadstuffs shows a decrease of $180,000,000. Interest, however, still centers in the crops, and official information concerning them has been favorable. The probable wheat yield was estimated on July 1 at 664,000,000 bushels, or 26,000,000 in excess of the yield in 1903, and almost as large as the 1902 crop. Unfavorable weather in July may cause a reduction in this total. The corn crop indicates a yield of 2,537,000,000 bushels, an amount exceeded only once in the history of the country, in 1899, when the yield was 2,666,000,000 bushels. A cotton crop of more than 12,000,000 bales is also predicted, so altogether the crop promise is highly satisfactory.

During the month the first annual report of the International Mercantile Marine Company was issued and was examined with no little curiosity. The company practically began business on December 1, 1902, and its stock has been only recently placed in the hands of the public. There is about $100,000,000 of stock outstanding, nearly equally divided into common and preferred. The earnings for the calendar year were: gross, $31,037,419, and net, $4,000,521. Interest and income tax called for $3,645,226, leaving as surplus earnings $355,295. To this is added "surplus insurance account," derived from carrying its own insurance, making the total surplus for the year $1,797,797. The results cannot be considered satisfactory, but the management anticipates a better showing after new economies have been introduced and more hopeful conditions prevail. The large falling off in exports of breadstuffs has been a depressing influence in the last year.

THE MONEY MARKET.—The money market is abnormally easy and rates on call and time loans very low. At the close of the month call money ruled at 3/4 @ 1 per cent., averaging a little less than 1 per cent. Banks and trust companies loaned at 1 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 2 per cent. for 60 days, 2 1/2 per cent. for 90 days, 3 per cent. for 4 months to 5 months, and 3 1/2 @ 3 3/4 per cent. for 6 to 7 months, and 4 per cent. for 8 months on good mixed collateral. For commercial paper the rates are 3 1/2 @ 3 3/4 per cent. for 60 to 90 days' endorsed bills receivable, 3 3/4 @ 4 1/4 per cent. for first-class 4 to 6 months' single names, and 4 1/2 @ 5 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Mar. 1.	*Apr. 1.*	*May 1.*	*June 1.*	*July 1.*	*Aug. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	1 3/4 -2	1 1/2 – 1 3/4	1 –1 1/4	1 1/4 –1 1/2	1 1/2 –1 1/4	3/4 –1
Call loans, banks and trust companies..........	1 3/4 –	1 3/4 –	1 –1 1/4	1 1/2 –	1 1/4 –	1 –
Brokers' loans on collateral, 30 to 60 days..........	3 –	2 1/2 – 3	2 1/4 –	2 1/4 –	2 –	2 –
Brokers' loans on collateral, 90 days to 4 months..........	3 1/4 – 3/4	3 – 3 1/4	2 1/2 – 3/4	2 1/4 –3	2 1/4 – 3/4	2 1/2 –3
Brokers' loans on collateral, 5 to 7 months..........	4 – 1/4	3 3/4 – 4	3 – 1/2	3 1/2 –4	3 – 1/2	3 – 3/4
Commercial paper, endorsed bills receivable, 60 to 90 days..........	4 3/4 –5	4 1/4 – 1/2	3 3/4 –	3 3/4 –4 1/4	3 1/2 –	3 1/2 – 3/4
Commercial paper prime single names, 4 to 6 months..........	4 3/4 –5 1/4	4 1/2 – 5	3 3/4 –4 1/4	4 –4 1/2	3 3/4 –4	3 3/4 –4 1/4
Commercial paper, good single names, 4 to 6 months..........	5 1/2 –6	5 – 1/2	4 1/2 –5	4 1/2 -5	4 1/2 - 5	4 1/2 –5

NEW YORK CITY BANKS.—The clearing-house banks in New York made new records in volume of both loans and deposits last month. Never prior to July did the deposits reach $1,200,000,000, and at the close of the month they were nearly $5,000,000 in excess of that amount. Loans nearly touched $1,100,000,000 on July 23, but fell off $2,500,000 in the last week. The surplus reserve is also very large, nearly $56,000,000, an increase of nearly $20,000,000 in the month. The surplus is now larger than at any previous time since 1898, and nearly $32,000,000 greater than it was a year ago. Deposits are $296,000,000 greater than they were a year ago.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 2...	$1,075,031,500	$239,871,800	$84,980,700	$1,152,988,800	$36,105,300	$39,209,600	$1,233,921,100
" 9...	1,078,294,800	243,093,600	82,461,400	1,158,150,300	36,017,725	39,168,400	1,075,437,300
" 16...	1,087,518,700	255,298,900	84,056,800	1,179,169,400	44,563,350	39,156,200	1,269,404,300
" 23...	1,099,849,200	265,955,400	85,015,000	1,201,443,200	50,609,600	39,132,600	1,268,664,900
" 30...	1,097,338,100	271,182,900	86,848,100	1,204,965,600	55,989,600	38,962,900	1,059,804,500

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	1902.		1903.		1904.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$910,860,800	$7,515,575	$873,115,000	$10,193,850	$866,178,900	$9,541,850
February	975,997,000	26,623,350	931,778,900	27,880,775	1,023,943,800	25,129,050
March	1,017,488,800	9,975,925	956,206,400	5,951,900	1,027,920,400	32,150,200
April	965,853,800	6,965,575	894,260,000	6,280,900	1,069,369,400	27,755,050
May	968,189,600	7,484,000	905,760,200	11,181,850	1,114,367,800	33,144,250
June	948,826,400	11,929,000	913,081,800	9,645,150	1,098,953,500	29,692,325
July	955,829,400	12,978,350	903,719,800	12,923,850	1,152,968,800	36,105,300
August	957,145,500	13,738,125	908,864,500	24,060,075	1,204,965,600	55,959,600
September	935,998,500	9,742,775	920,123,900	20,677,925	....	....
October	876,519,100	3,236,625	897,214,400	18,937,500	....	....
November	893,791,200	21,339,100	885,616,600	10,274,150	....	....
December	883,836,800	15,786,300	841,552,000	6,125,200	....	....

Deposits reached the highest amount, $1,204,965,600, on July 30, 1904; loans, $1,099,849,200 on July 23, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
July 2	$93,643,000	$109,850,700	$4,032,700	$5,458,000	$14,602,200	$8,614,800	$5,245,025
" 9	93,538,100	108,436,700	4,125,000	5,840,500	13,407,900	7,726,000	3,990,225
" 16	93,488,400	108,504,400	4,178,900	5,940,100	13,926,000	6,678,100	3,597,000
" 23	93,216,500	106,434,200	3,937,900	5,595,600	13,745,800	6,568,700	3,239,450
" 30	92,854,200	106,129,400	4,079,900	5,485,200	13,761,800	7,089,400	3,883,950

BOSTON BANKS.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
July 2	$174,526,000	$218,514,000	$16,911,000	$7,163,000	$7,367,000	$136,001,500
" 9	176,414,000	218,280,000	16,841,000	6,879,000	7,381,000	116,353,900
" 16	174,792,000	220,235,000	17,442,000	7,509,000	7,387,000	133,040,500
" 23	175,084,000	219,408,000	18,094,000	7,615,000	7,376,000	127,549,500
" 30	175,899,000	218,798,000	18,076,000	7,032,000	7,343,000	....

PHILADELPHIA BANKS.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
July 2	$194,594,000	$232,119,000	$62,611,000	$11,568,000	$111,108,900
" 9	195,255,000	233,984,000	63,762,000	11,548,000	90,592,600
" 16	195,638,000	238,251,000	66,377,000	11,545,000	109,290,700
" 23	195,992,000	243,058,000	71,623,000	11,509,000	164,171,500
" 30	196,111,000	242,288,000	71,962,000	11,469,000	91,880,400

FOREIGN EXCHANGE.—Rates for sterling exchange were lower during the greater

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
July 2	4.8530 @ 4.8540	4.8710 @ 4.8715	4.8740 @ 4.8750	4.85 @ 4.85⅛	4.84¼ @ 4.84⅞
" 9	4.8525 @ 4.8535	4.8720 @ 4.8725	4.8750 @ 4.8760	4.85 @ 4.85⅛	4.84⅜ @ 4.85
" 16	4.8475 @ 4.8490	4.8700 @ 4.8710	4.8730 @ 4.8740	4.84⅜ @ 4.84⅛	4.84 @ 4.84⅝
" 23	4.8455 @ 4.8475	4.8725 @ 4.8735	4.8770 @ 4.8780	4.84¼ @ 4.84⅜	4.84 @ 4.84⅞
" 30	4.8510 @ 4.8520	4.8770 @ 4.8775	4.8810 @ 4.8820	4.84¾ @ 4.84⅞	4.84⅛ @ 4.85⅝

part of the month, but in the last week advanced on higher rates of discount in London. The situation was also influenced by the complications between Russia and Great Britain.

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Apr. 1.	*May. 1.*	*June 1.*	*July 1.*	*Aug. 1.*
Sterling Bankers—60 days	4.83¾–⅞	4.84⅞–85	4.85⅜–½	4.85¼–⅜	4.85 –⅛
" " Sight	4.87¼–⅜	4.87 –⅛	4.87¼–⅜	4.87⅛–	4.87¾–
" " Cables	4.87¾–⅞	4.87¼–⅜	4.87½–⅝	4.87½–	4.88⅛–¼
" Commercial long	4.84⅛–⅝	4.84⅛–⅝	4.85 –¼	4.85 –⅛	4.84¾–⅞
" Docu'tary for paym't.	4.83⅝–¾	4.84 –¾	4.84¼–85⅛	4.84¼–⅞	4.84⅛–5⅜
Paris—Cable transfers	5.15 1/16–15	5.15 1/16–1/32	5.15 1/16–1/32	5.16⅞–	5.16⅞–¼
" Bankers' 60 days	5.18⅛–17½	5.18⅛–17½	5.17½–16⅞	5.18⅛–17½	5.18¾–⅛
" Bankers' sight	5.15⅝–	5.15⅝–	5.15⅝–	5.16⅞–	5.17½–16⅞
Swiss—Bankers' sight	5.18⅛–17½	5.16⅞–¼	5.16¼–	5.16⅞–	5.16⅞–
Berlin—Bankers' 60 days	94 13/16–	94 15/16–95	95 1/16–⅛	95 1/16–⅛	95 1/16
" Bankers' sight	95 3/16–	95 5/16–⅜	95½–9/16	95½–	95⅜–
Belgium—Bankers' sight	5.16⅞–	5.16⅞–	5.16¼–	5.16⅞–	3.16⅞–
Amsterdam—Bankers' sight	40 1/16–	40⅜–	40 5/16–	40 5/16–⅜	40 5/16–⅜
Kronors—Bankers' sight	26.81–26.83	26.81–26.83	26.86–26.88	26.86–26.88	26.84–26.86
Italian lire—sight	3.16⅞–15⅝	5.16¼–15⅝	5.16⅞–¼	5.16¼–	5.16⅞–

FOREIGN BANKS.—The Bank of England lost $3,000,000 gold last month, the Bank of France $11,000,000 and the Bank of Germany $7,000,000. Russia gained $1,000,000 and Austria-Hungary about $6,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	June 1, 1904.		*July 1, 1904.*		*Aug. 1, 1904.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£32,680,338	....	£35,339,282	....	£34,668,605	....
France	109,407,106	£45,016,118	111,059,377	£45,316,051	108,774,908	£45,085,063
Germany	35,918,000	12,620,000	36,872,000	12,955,000	35,470,000	12,463,000
Russia	84,395,000	8,279,000	91,330,000	8,231,000	92,220,000	8,390,000
Austria-Hungary	47,209,000	12,975,000	47,118,000	13,015,000	48,286,000	12,759,000
Spain	14,716,000	20,057,000	14,716,000	20,533,000	14,326,000	20,416,000
Italy	22,097,000	4,003,100	22,104,000	3,992,000	22,352,000	3,989,600
Netherlands	5,475,700	6,588,000	5,477,000	6,661,600	5,475,200	6,506,600
Nat. Belgium	3,086,667	1,543,333	3,032,667	1,516,333	3,050,667	1,525,333
Totals	£354,984,811	£111,081,551	£367,048,326	£112,219,984	£364,623,380	£111,135,196

MONEY RATES ABROAD.—The Bank of England has maintained its posted rate of discount at 3 per cent, but open rates in London have advanced, while in Berlin they have declined. Discounts of 60 to 90 day bills in London at the close of the month were 2⅞ @ 3 per cent. against 1⅞ per cent. a month ago. The open market rate at Paris was 1⅜ per cent., the same as a month ago, and at Berlin and Frankfort 2¾ per cent. against 2⅞ @ 3 per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Apr. 13, 1904.	*May 26, 1904.*	*June 30, 1904.*	*July 13, 1904.*
Circulation (exc. b'k post bills)	£28,366,265	£27,973,000	£28,869,000	£28,741,605
Public deposits	8,569,638	7,407,000	9,023,000	6,724,146
Other deposits	42,936,848	39,764,000	50,258,000	41,143,779
Government securities	19,883,980	16,961,000	15,988,000	16,903,766
Other securities	25,281,788	25,337,000	26,246,000	25,150,891
Reserve of notes and coin	24,142,795	22,758,000	24,920,000	23,857,264
Coin and bullion	34,059,060	32,680,338	35,339,282	34,148,869
Reserve to liabilities	46¾%	48⅛%	41⅞%	49 13/16%
Bank rate of discount	3½%	3%	3%	3%
Price of Consols (2½ per cents.)	88 13/16	90 1/16	90½	89⅝
Price of silver per ounce	24 13/16d.	25⅜d.	26⅛d.	26 11/16d.

SILVER.—The price of silver ruled strong in London last month, advancing from 26 1/8 to 27d., touching the latter figure on July 29. The closing price was 26 7/8d., a net gain for the month of 3/4d.

MONTHLY RANGE OF SILVER IN LONDON—1902, 1903, 1904.

MONTH.	1902.		1903.		1904.		MONTH.	1902.		1903.		1904.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	26 1/16	25 5/8	22 5/8	21 11/16	27 5/16	25 1/8	July......	24 3/16	24 3/16	25 5/8	24 1/4	27	26 1/8
February	25 5/8	25 5/16	22 5/16	21 7/8	27 1/8	25 5/8	August ..	24 7/16	24 1/8	26 3/4	25 5/16	....	....
March....	25 7/16	24 13/16	22 13/16	22 1/8	26 11/16	25 1/8	Septemb'r	24 1/8	23 9/16	26 7/16	26 3/16	....	....
April.....	24 7/8	23 5/16	25 1/16	22 5/8	25 1/8	24 7/16	October..	23 11/16	23 1/4	28 1/8	27 7/16	....	....
May......	24 1/8	23 9/16	25 1/4	24 5/16	25 13/16	25 1/8	Novemb'r	23 1/4	21 3/4	27 5/8	26 1/4	....	....
June.....	24 7/16	23 15/16	24 3/16	24 1/8	26 1/8	25 5/16	Decemb'r	22 1/2	21 13/16	26 1/8	25	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.86	$4.89	Mexican 20 pesos	$19.55	$19.65
Twenty francs	3.89	3.92	Ten guilders	3.95	4.00
Twenty marks	4.78	4.81	Mexican dollars	.46	.47 1/2
Twenty-five pesetas	4.78	4.82	Peruvian soles	.41	.44
Spanish doubloons	15.55	15.65	Chilian pesos	.41	.44
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to 1/4 per cent. premium on the Mint value. Bar silver in London, 26 7/8d. per ounce. New York market for large commercial silver bars, 58 1/2 @ 59 3/4c. Fine silver (Government assay), 58 3/4 @ 60 1/4c. The official price was 58 5/8c.

NATIONAL BANK CIRCULATION.—There was a further increase in volume of bank notes outstanding last month, the gain being $971,793, making for the twelve months ended July 31, an increase of $32,860,401. The total circulation is now $450,206,888, the largest amount ever reported outstanding at any one time. Until the large increase in 1902 the highest point reached was a little more than $362,000,000.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1904.	May 31, 1904.	June 30, 1904.	July 31, 1904.
Total amount outstanding	$437,080,573	$445,988,565	$449,235,095	$450,206,888
Circulation based on U. S. bonds	397,802,781	407,279,034	412,759,449	415,025,156
Circulation secured by lawful money	39,277,792	38,709,531	36,475,646	35,181,732
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	2,966,750	3,929,250	4,215,500	4,427,000
Four per cents. of 1895	1,540,100	1,802,100	1,822,100	1,822,100
Three per cents. of 1898	1,759,940	1,794,940	1,815,440	1,799,940
Two per cents. of 1900	393,528,350	403,046,350	408,163,650	409,909,650
Total	$399,795,140	$410,572,640	$416,016,690	$417,958,690

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,377,550; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $9,928,050; 3 per cents. of 1898, $6,954,500; 2 per cents. of 1930, $82,945,950; District of Columbia 3.65's, 1924, $1,784,000; State and city bonds, $3,145,500; Philippine Island certificates, $3,868,000; Hawaiian Islands bonds, $1,072,000; Philippine loan, $1,902,000, a total of $119,577,550.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The first month of the new fiscal year shows a deficiency in Government revenues of $17,407,728, as compared

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	July, 1904.	Since July 1, 1904.
Customs	$19,483,750	$19,483,750
Internal revenue	20,234,005	20,234,005
Miscellaneous	7,068,632	7,068,632
Total	$46,786,387	$46,786,387
Excess expenditures	17,407,728	17,407,728

EXPENDITURES.

Source.	July, 1904.	Since July 1, 1904.
Civil and mis.	$16,564,168	$16,564,168
War	18,484,285	18,484,285
Navy	12,163,654	12,163,654
Indians	957,260	957,260
Pensions	12,054,380	12,054,380
Interest	3,970,368	3,970,368
Total	$64,194,115	$64,194,115

with less than $8,000,000 in July last year. July usually makes the worst showing of any month in the year, the expenditures always being larger in that month than in the previous month. The deficit this year, however, is exceptionally large. While the revenues were nearly $2,000,000 less than in July, 1903, the expenditures were nearly $8,000,000 larger. Nearly $4,600,000 of the increased expenses were for Navy.

UNITED STATES PUBLIC DEBT.—Except an increase of $27,000,000 in gold certificates, there was no important change in the aggregate public debt, but the cash in the Treasury was reduced $15,000,000, while the debt, less cash, was increased $13,500,000. The net debt again exceeds $980,000,000. The total cash assets now exceed $2,288,000,000, while the certificates and Treasury notes issued amount to $1,003,000,000.

UNITED STATES PUBLIC DEBT.

	May 1, 1904.	*June 1, 1904.*	*July 1, 1904.*	*Aug. 1, 1904.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,100	156,593,100	156,593,150	156,593,400
Refunding certificates, 4 per cent......	29,130	29,120	29,080	28,930
Loan of 1925, 4 per cent................	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt...........	$895,157,440	$895,157,430	$895,157,440	$895,157,540
Debt on which interest has ceased... ...	2,347,480	2,109,950	1,970,920	1,881,130
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	38,663,611	37,717,056	35,526,542	34,220,208
Fractional currency....................	6,869,851	6,869,850	6,869,250	6,869,250
Total non-interest bearing debt......	$392,268,326	$391,321,769	$389,130,655	$387,824,321
Total interest and non-interest debt.	1,289,773,246	1,288,589,149	1,286,259,016	1,284,862,992
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	493,457,869	489,974,869	494,290,569	521,430,969
Silver "	472,555,000	471,662,000	470,476,000	469,645,000
Treasury notes of 1890	13,987,000	13,473,000	12,978,000	12,653,000
Total certificates and notes...........	$979,999,869	$975,109,869	$977,744,569	$1,003,728,969
Aggregate debt	2,269,773,115	2,263,699,018	2,264,003,585	2,288,591,961
Cash in the Treasury:				
Total cash assets	1,404,406,842	1,373,468,690	1,382,657,911	1,398,829,075
Demand liabilities.......................	1,033,487,654	1,060,181,175	1,063,630,669	1,094,747,495
Balance	$370,919,188	$313,287,515	$319,027,242	$304,081,579
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	220,919,188	163,287,515	169,027,242	154,081,579
Total	$370,919,188	$313,287,515	$319,027,242	$304,081,579
Total debt, less cash in the Treasury.	918,854,058	975,301,634	967,231,774	980,781,413

MONEY IN CIRCULATION IN THE UNITED STATES.—More than $25,000,000 was added to the money in circulation last month. There was an increase of $36,000,000

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1904.	*June 1, 1904.*	*July 1, 1904.*	*Aug. 1, 1904.*
Gold coin................................	$627,970,533	$644,894,548	$646,586,319	$644,112,980
Silver dollars............................	81,573,223	72,605,727	71,561,684	70,581,561
Subsidiary silver........................	97,631,352	94,579,099	94,603,028	94,577,050
Gold certificates........................	421,080,019	450,633,929	464,806,629	500,864,129
Silver certificates.......................	465,836,290	464,156,826	462,578,715	459,521,910
Treasury notes, Act July 14, 1890.........	15,828,853	13,374,424	12,927,287	12,550,766
United States notes......................	343,272,438	337,304,380	334,491,977	331,679,234
National bank notes......................	413,153,189	431,730,984	433,595,888	432,701,873
Total....................................	$2,466,345,897	$2,509,279,917	$2,521,151,527	$2,546,589,503
Population of United States.............	81,177,000	81,752,000	81,867,000	81,982,000
Circulation per capita...................	$30.38	$30.69	$30.80	$31.06

in gold certificates, nearly all other forms of currency showing a decrease. The total circulation now exceeds $2,546,000,000, equal to $31.06 per capita.

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country increased nearly $17,000,000 in July. Gold furnished nearly $16,000,000 of the increase and National bank notes $1,000,000. The increase since January 1 in the total supply is $55,000,000, of which one-half was in gold.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1904.	*June 1, 1904.*	*July 1, 1904.*	*Aug. 1, 1904.*
Gold coin and bullion	$1,314,622,524	$1,313,120,868	$1,326,722,701	$1,342,422,740
Silver dollars	559,167,979	567,458,254	567,980,319	567,980,319
Silver bullion	11,579,510	5,437,156	5,081,225	4,916,944
Subsidiary silver	105,938,279	106,614,930	106,164,848	106,503,340
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	445,988,565	449,235,095	450,206,888
Total	$2,763,152,326	$2,785,300,789	$2,801,865,204	$2,818,711,247

GOLD AND SILVER COINAGE.—There was no gold coinage nor minor coinage at the mints, last month. The silver coinage amounted to $455,519, all of which was in half and quarter dollars. The mints coined 1,284,000 pesos for the Government of the Philippine Islands.

UNITED STATES FOREIGN TRADE.—The exports of merchandise in June were valued at $93,197,134, the smallest recorded for any similar month since 1897, with the exception of June, 1902. June usually shows a falling off in exports, as compared with previous months in the year, but this year they were slightly larger than in May. June imports were larger than in any previous June, excepting in 1903 and 1897. They were valued at $81,014,973, which leaves the net balance of exports slightly in excess of $12,000,000. The total exports for the year ending June 30, 1904, were nearly $1,461,000,000, or $10,000,000 more than in the previous year. In only one year, 1901, were the exports larger. Then they exceeded $1,487,-000,000. The year's imports amounted to nearly $991,000,000, which is a decrease of $35,000,000 compared with the previous year, but with that exception the largest ever recorded in a single year. The aggregate imports and exports make the unparalleled total of $2,451,574,623, exceeding the record made in the previous year by nearly $6,000,000. The net imports of gold in June were $3,303,435, making making more than $17,500,000 for the fiscal year, the largest total since 1899.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JUNE.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1899	$96,394,227	$61,757,309	Exp., $34,636,918	Exp., $17,802,641	Exp., $1,947,906
1900	108,651,957	61,001,367	" 47,650,590	" 4,364,632	" 288,345
1901	102,774,263	68,404,657	" 34,369,606	" 2,084,101	" 2,634,548
1902	89,240,483	73,115,054	" 16,125,429	Imp., 3,694,932	" 1,447,213
1903	95,222,846	81,999,777	" 13,223,069	Exp., 9,740,035	Imp., 494,395
1904	93,197,134	81,014,973	" 12,182,161	Imp., 3,303,435	Exp., 1,713,025
TWELVE MONTHS.					
1899	1,227,023,302	697,148,489	Exp., 529,874,813	Imp., 51,432,517	Exp., 25,643,999
1900	1,394,483,082	849,941,184	" 544,541,898	Exp., 3,693,575	" 21,455,973
1901	1,487,761,991	823,172,165	" 664,592,826	Imp., 12,866,010	" 27,898,659
1902	1,381,719,401	903,320,948	" 478,398,453	" 3,452,304	" 21,500,186
1903	1,420,141,679	1,025,719,237	" 394,422,442	Exp., 2,108,568	" 20,066,768
1904	1,460,829,539	990,745,084	" 470,084,455	Imp., 17,535,128	" 21,783,680

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of July, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903:

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		JULY, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89⅞	54	79⅞—July 19	64 —Feb. 24	79⅞	72¾	76⅞
" preferred............	103⅛	84⅝	98 —July 20	87⅝—Jan. 6	98	93¾	95⅝
Baltimore & Ohio............	104	71⅝	85⅞—Jan. 27	72⅞—Mar. 14	85⅞	79⅞	83⅛
Baltimore & Ohio, pref........	96¾	82¾	95 —July 20	87⅝—Feb. 19	95	92⅛	92⅛
Brooklyn Rapid Transit......	71⅛	29⅛	53 —July 19	38 —Feb. 24	53	49	50⅝
Canadian Pacific..............	138¾	115⅝	126 —July 18	109⅛—Mar. 12	126	122¼	123⅞
Canada Southern.............	78½	57½	68¼—Jan. 2	64 —Apr. 29	65¾	65¾	65¾
Central of New Jersey........	190	153	166½—July 13	154½—Feb. 20	166½	162	162½
Ches. & Ohio..................	53⅝	27¼	36 —Jan. 28	28¼—Mar. 14	35⅛	31	33¼
Chicago & Alton...............	37¼	18⅛	41¼—July 26	33 —Jan. 2	41¼	36⅛	39½
" preferred............	75½	60	85¼ - Jan. 21	75 —Jan. 6	81	80	80½
Chicago, Great Western......	29⅝	13	17¾—Jan. 22	12⅞—June 8	15¼	13⅝	13⅞
Chic., Milwaukee & St. Paul..	183¼	133¼	149¾—July 20	137⅛—Feb. 24	149¾	143¼	146¼
" preferred............	194¼	168	182 —July 14	173 —Mar. 4	182	178¼	178¾
Chicago & Northwestern......	224½	153	180¾—July 21	161⅛—Mar. 14	180¾	170	180
" preferred............	250	190	224 —July 15	207 —Feb. 8	224	220	224
Chicago Terminal Transfer...	19⅞	8	12¾—Jan. 15	5½—May 24	6¾	5⅝	6⅛
" preferred............	36	15	26½—Jan. 15	13¼—May 27	16⅛	13½	13½
Clev., Cin., Chic. & St. Louis..	99⅝	66	80¾—Jan. 22	68½—May 18	76	70	75½
Col. Fuel & Iron Co............	82½	24	38½—July 25	25½—Mar. 12	38½	30¼	34¾
Colorado Southern............	31⅝	10	19 —Jan. 12	13½—June 1	16⅛	14½	14¾
" 1st preferred........	72	44½	58½—Jan. 25	48 —June 1	50¾	48	48
" 2d preferred........	48	17	28⅝—Jan. 22	17⅞—June 7	22	19½	20
Consolidated Gas Co..........	222	164	212⅜—May 16	185 —Feb. 8	196⅞	192	192¾
Delaware & Hud. Canal Co....	183½	149	168½—Jan. 22	149 —Mar. 12	161¾	156⅝	159¾
Delaware, Lack. & Western..	275½	230	275¾—Apr. 7	250½—Feb. 23	273	269	270½
Denver & Rio Grande.........	43	18	23⅝—Jan 22	18 —Mar. 14	22⅝	21	22¼
" preferred............	90½	62	74⅞—Jan. 22	64½—Feb. 24	73¼	70	70½
Detroit Southern..............	20⅝	7	14¾—Jan. 23	1½—June 27	2⅞	2⅛	2⅝
" preferred............	39¾	14	29½—Jan. 25	2¾—June 27	4⅞	4	4½
Duluth So. S. & Atl., pref.....	29⅝	10	16¾—Jan. 23	9¾—June 4	12	10	10
Erie..........................	42⅝	23	29¼—Jan. 2	21½—May 16	26½	23¾	24¼
" 1st pref..................	74	62⅛	69¾—Jan. 27	55⅝—May 31	63¾	58½	60½
" 2d pref..................	64⅞	44	50½—Jan. 2	33 —May 16	39⅝	34⅞	35½
Evansville & Terre Haute....	72½	39½	66½—Jan. 27	54 —July 15	56	54	56
Express Adams...............	235	214	226 —May 12	220 —Feb. 2	226	224½	224½
" American............	235	171	202 —July 14	180 —June 2	202	190	198
" United States........	150¼	95	113 —July 19	100 - Feb. 24	113	104	110
" Wells, Fargo.........	249½	191	212 —Jan. 6	200 —June 16	210	200	207
Hocking Valley...............	106½	63	77⅛—Jan. 22	60 —May 24	68⅞	64	64
" preferred............	99¼	77	85 —Jan. 7	77 —Mar. 12	82⅞	80⅛	80⅛
Illinois Central...............	151	125⅛	137½—July 20	125¾—Feb. 24	137½	131⅞	135⅝
Iowa Central..................	48	16	22⅞—Jan. 8	14 —June 4	19⅞	18	19
" preferred............	77⅝	30½	42 —Jan. 14	32 —Feb. 25	37⅜	34	35
Kansas City Southern.........	36¼	16½	22¾—July 18	16½—Feb. 24	22¾	21¼	22¾
" preferred............	61¼	29	45 —July 18	31 —Feb. 29	45	42	42½
Kans. City Ft. S. & Mem. pref..	82¾	62¼	74¾—July 20	64⅛—June 1	74¾	67	72
Louisville & Nashville........	130½	95	118 —July 20	101 —Feb. 23	118	110	114
Manhattan consol.............	155½	126¼	152⅜—July 20	139¾—Mar. 12	152⅜	149⅛	150¾
Metropolitan securities.......	128⅞	70½	92 —Jan. 21	72¼—Mar. 14	90	79½	88
Metropolitan Street...........	142⅞	99⅞	124 —Jan. 2	104¾—Mar. 14	118⅞	111¼	118
Mexican Central..............	29	8½	14½—Jan. 11	5 —Apr. 23	10¾	7¾	9¾
Minneapolis & St. Louis.......	110	41	67¾ Jan. 18	40 —June 3	46¼	43½	46
" preferred............	118	83	94¾—Jan. 21	80 —July 29	80	80	80
Minn., S. P. & S.S. Marie......	79½	42	75½—July 26	55 —Jan. 4	75½	66½	74½
" preferred............	132¼	109½	128½—July 25	116 —May 2	128½	123	127
Missouri, Kan. & Tex..........	30⅛	15½	19 —Jan. 21	14⅝—Feb. 24	18⅞	16¼	17¾
" preferred............	63½	33	42½—Jan. 22	32¼—June 1	41½	36½	39¼
Missouri Pacific...............	115⅞	85¾	95⅞—Jan. 22	87 —Feb. 24	95½	90⅝	91¾
Natl. of Mexico, pref..........	47⅝	34½	41 —Jan. 11	34¾—Feb. 25	39⅝	36	36
" 2d preferred..........	28½	17	21⅞—Jan. 8	15⅞—Feb. 25	19	17½	17½
N. Y. Cent. & Hudson River..	156	112⅝	122 —Jan. 8	112⅞—Mar. 12	120⅝	115	118½
N. Y., Chicago & St. Louis....	45	19½	32¼—Jan. 23	25 —May 16	29½	27½	29
" 2d preferred.........	87	50	69 —Jan. 26	60 —June 14	63	63	63

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		JULY, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	35¼	19	31⅝—July 26	19⅝—Mar. 14	31⅝	26⅝	30
Norfolk & Western...........	76¼	50¾	62⅞—July 18	53⅛—Mar. 12	62⅞	56⅛	60¼
" preferred...........	93½	85	91 —July 27	88 —May 6	91	90	91
North American Co...........	124½	68	90 —Jan. 26	80 —Mar. 12	90	85¼	88½
Pacific Mail....................	42¾	17	33⅛—Jan. 18	24 —Feb. 27	29	25⅛	25½
Pennsylvania R. R...........	157⅝	110¾	123¼-Jan. 27	111½—Mar. 12	121¾	115¾	119⅝
People's Gas & Coke of Chic.	108⅝	87¾	102⅝—Jan. 23	92¾—Mar. 12	101½	97¾	99⅛
Pullman Palace Car Co.......	235¾	196	222 —July 15	209 —Mar. 14	222	220	220
Reading.........................	69¼	37⅛	54¾—July 21	38¾—Mar. 14	54¾	46¾	52
" 1st prefered..........	89⅞	73	83¾—July 12	76 —Mar. 1	83¾	82⅝	83
" 2d preferred..........	81	55¾	72¼—July 8	55¼—Feb. 25	72¼	67	70½
Rock Island..................	53⅝	19½	27⅛—Jan. 22	19⅛—Mar. 11	24	20⅝	22
" preferred...........	86	55¾	68⅞—Jan. 22	57¾—Jan. 6	67¾	63⅛	64
St. L. & San Fran. 2d pref....	78	39	53¾—July 20	39¼—Jan. 6	53¾	45¾	51¾
St. Louis & Southwestern....	30	12	16¼—Jan. 22	9½—June 1	14	11	13⅛
" preferred...........	66	24	36¾—Jan. 23	25⅝—June 1	34	29¾	33
Southern Pacific Co..........	68¼	38⅝	52⅝—July 20	41⅛—Mar. 14	52⅝	46⅞	48⅛
Southern Railway............	36⅞	16½	25¼—July 18	18¼—Feb. 24	25¼	21⅛	23
" preferred...........	96	69½	90 —July 20	77⅛—Jan. 6	90	86	88¼
Tennessee Coal & Iron Co....	68¾	25⅞	44¾—July 25	31⅝—May 16	44¾	35	43¼
Texas & Pacific...............	43⅝	20½	27¾—Jan. 23	20 —June 2	26½	22⅛	25
Toledo, St. Louis & Western..	31⅞	15	29⅛—Jan. 23	21⅛—May 27	27⅛	24	25
" preferred...........	48	24	39⅞—Apr. 25	32 —Feb. 24	39⅝	37	38
Union Pacific.................	104⅝	65½	99— July 20	71 —Mar. 14	99	88¼	94⅞
" preferred...........	95¼	83½	94½—Apr. 6	86½—Feb. 25	94¼	93¼	93⅝
Wabash R. R..................	32¾	16⅝	21¾—Jan. 27	15 —May 16	17¾	16¼	16⅝
" preferred...........	55¼	27½	41 —Jan. 25	32¾—Feb. 24	37⅝	34¼	35
Western Union................	93	80¼	89¾—May 9	85 —May 19	88½	86⅞	88
Wheeling & Lake Erie........	27½	12	19⅛—Jan. 22	14⅛—July 25	16⅛	14⅛	14⅛
" second preferred....	38½	20	29¾—Jan. 27	21⅛—June 29	24¾	21½	21½
Wisconsin Central............	29¼	14½	21⅞—Jan. 20	16 —June 6	18⅝	16¾	17
" preferred...........	55½	33	47⅞--Jan. 27	37 —June 6	40½	38	38
"INDUSTRIAL"							
Amalgamated Copper........	75⅝	33⅝	54¼—July 18	43⅛ - Feb. 8	54¼	49⅞	51
American Car & Foundry....	41¾	17¼	21⅜—Jan. 27	14¾—July 1	19⅛	14¾	18⅝
" pref..................	93	60½	79 —July 15	67 —Jan. 6	79	71	77
American Co. Oil Co..........	46¼	25¼	32⅞—Jan. 25	24¼—June 14	28	26½	26½
American Ice	11⅞	4	9¼—Jan. 2	6⅛—Mar. 24	7⅝	6⅛	6½
American Locomotive........	31⅝	10½	23⅜—Feb. 16	16⅛—Jan. 6	23⅛	19¼	21
" preferred...........	95¾	67½	88 —July 16	75½—Jan. 6	88	82	88
Am. Smelting & Refining Co.	52⅞	36¾	58⅜—July 21	46 —Feb. 25	58⅜	53⅞	56¾
" preferred...........	99½	80¼	99⅞—July 25	88¾—Jan. 6	99⅞	96⅞	99
American Sugar Ref. Co......	134⅜	107⅛	131⅝—Jan. 25	122¼—Mar. 7	130¾	127	128¾
Anaconda Copper Mining....	125½	58	80⅛—Apr. 12	61 —Feb. 20	76½	70¼	70½
Continental Tobacco Co. pref.	119	94¾	115 —July 25	101½—Jan. 4	115	112½	114½
Corn Products................	35	15½	22⅜—Jan. 25	9¾—May 9	13⅛	11	12½
" preferred...........	85⅛	60	74½—Jan. 23	65 —Mar. 9	70¼	67¼	69
Distillers securities...........	34¾	20	26½—Jan. 21	19½—June 9	22	20¾	21
General Electric Co...........	204	136	179¼—Jan. 23	151 —June 20	166¾	156	162
International Paper Co......	19⅞	9	14⅞—July 20	10¼—May 26	14⅞	11⅞	13⅞
" preferred...........	74¼	57½	70⅝—July 7	64⅛ - Feb. 9	70⅝	69	69⅝
National Biscuit..............	47⅝	32	49¾—July 20	36 —Jan. 4	49¾	45⅝	47¼
National Lead Co.............	29½	10½	24½—July 11	14⅛—Feb. 25	21½	20	20⅞
Pressed Steel Car Co..........	65¾	22½	34 —July 13	24¼—May 16	34	26¼	33
" preferred...........	95	62½	77¼—July 25	67 —May 16	77¼	71¾	76½
Republic Iron & Steel Co.....	22⅝	5⅝	8¾—Jan. 25	6 —May 16	8⅛	6½	7½
" preferred...........	80⅝	36¾	49½—Jan. 23	37 —May 13	46	41	43½
Rubber Goods Mfg. Co........	30	12	22¼—Jan. 27	14¾—Apr. 15	19⅝	16	18½
" preferred...........	84½	60	79¾—Apr. 4	74¾—Jan. 15	79½	77¼	79
U. S. Leather Co..............	15¼	6	8¼—Jan. 25	6½—May 27	7⅝	6⅝	7⅛
" preferred...........	96¾	71½	84¼ -July 15	75⅝—Jan. 4	84¼	80	83
U. S. Realty & Con............	28½	4	9⅜—Jan. 21	5⅛—Jan. 15	7¼	5⅞	7
" preferred...........			63⅜—May 23	40 —Jan. 14	62½	58	62½
U. S. Rubber Co...............	19⅛	7	19⅞—July 23	10½—Feb. 6	19⅝	16	19⅝
" preferred...........	58	30¼	78½—July 19	41 —Jan. 4	78½	65⅞	75½
U. S. Steel.....................	39⅞	10	12⅞—July 18	8⅜—May 13	12⅞	9¾	11¾
" pref......................	89¾	49¾	63½—July 25	51¼—May 13	63½	55¾	59⅞

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
Ann Arbor 1st g 4's.................1995	7,000,000	Q J	95	July22,'04	95	94	25,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	148,155,000	A & O	103¼	July30,'04	103¼	102⅛	864,000
" registered....................	....	A & O	103¾	July29,'04	103¼	103¾	5,000
" adjustment, g. 4's.....1995	25,616,000	NOV	92¾	July20,'04	94¼	92¾	119,500
" registered....................	....	NOV	82½	Jan. 26,'04	....	....	....
" stamped...................1995	26,112,000	M & N	93	July29,'04	93½	91¾	371,500
" serial debenture 4's—							
" series C...................1905	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series D...................1906	2,500,000	F & A	99¾	June21,'04	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series E...................1907	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series F...................1908	2,500,000	F & A	98	May 31,'04	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series G...................1909	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series H...................1910	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series I...................1911	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series J...................1912	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series K...................1913	2,500,000	F & A	....	....	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" series L...................1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered....................	....	F & A	....	....	....	....	....
" East.Okla.div.1st g.4's.1928	5,645,000	M & S	96¾	July20,'04	97½	96	70,000
" " registered......	....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan.Coast Line R.R.Co.1st g.4's.1952	36,844,000	M & S	99⅛	July30,'04	99⅛	97	759,000
" registered....................		M & S	92	Feb. 15,'04	....	....	....
Charleston & Savannah 1st g. 7's..1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's..1934	4,056,000	A & O	125½	Nov. 30,'03	....	....	....
" 1st g. 5's...............1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's..1928	2,800,000	M & N	113½	July27,'04	113½	113½	1,000
Brunswick & W'n 1st gtd. g. 4's..1938	3,000,000	J & J	93	July14,'04	93	93	1,000
Sil.Sps Oc.& G.RR.&ld g.gtd g.4s.1918	1,067,000	J & J	91½	Oct. 30,'03	....	....	....
Balt. & Ohio prior lien g. 3½s..1925	72,798,000	J & J	95	July29,'04	95⅛	94⅜	201,500
" registered....................		J & J	95¼	May 27,'04	....	....	....
" g. 4s.....................1948	70,963,000	A & O	102⅞	July30,'04	103½	102⅝	484,000
" g. 4s. registered...........		A & O	103	July21,'04	103	103	4,000
" ten year c. deb. g. 4's..1911	592,000	M & S	98	June30,'04	....	....	....
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	91½	July26,'04	91½	90¼	59,000
" registered....................		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System							
refunding g 4s.........1941	20,000,000	M & N	98⅜	July29,'04	98½	97½	80,000
" Southw'n div. 1st g.3½s.1925	43,590,000	J & J	91¼	July29,'04	91⅞	90¼	520,000
" registered....................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	105½	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	108	June 2,'04	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's..1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's...1917	688,000	J & J	98	June 3,'04	....	....	....
" J. P. Morgan & Co. cer.....	1,921,000	......	100¼	Feb. 13,'03	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	117⅝	June30,'04	....	....	....
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	121½	Mar. 2,'04	....	....	....
" cons. 1st 6's,............1922	3,920,000	J & D	124	May 6,'04	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	4,317,000	J & J	98⅝	July30,'04	99¼	98¼	62,000
" registered......		J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	103⅝	July 28,'04	103¾	103⅛	68,000
• 2d mortg. 5's, ...1913	6,000,000	M & S	109	July 15,'04	109	107	17,000
• registered..........		M & S	107	July 11,'04	107	107	2,000
Central Branch U. Pac. 1st g. 4's. 1948	2,500,000	J & D	92½	July 14,'04	93	92	26,000
Central R'y of Georgia, 1st g. 5's. 1945	7,000,000	F & A	116½	Mar. 4,'04	....	....	....
• registered $1,000 & $5,000		F & A	....	....	....	....	....
• con. g. 5's..........1945	16,700,600	M & N	110½	July 30,'04	112	110¼	202,000
• con. g. 5's, reg. $1,000 & $5,000		M & N	107	June 14,'04	....	....	....
• 1st. pref. inc. g. 5's, ...1945	4,000,000	OCT 1	79½	July 30,'04	80	74	390,000
• 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	42¾	July 30,'04	43¼	35½	657,000
• 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	28	July 29,'04	28⅛	23¼	250,000
• Chat. div. pur. my. g. 4's. 1951	1,990,000	J & D	92½	May 23,'04	....	....	....
• Macon & Nor. Div. 1st g. 5's..........1946	840,000	J & J	104	Feb. 19,'04	....	....	....
• Mid. Ga. & Atl. div. g 5s. 1947	418,000	J & J	102	June 29,'99	....	....	....
• Mobile div. 1st g. 5's....1946	1,000,000	J & J	103	July 2,'03	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1987	4,880,000	M & N	108½	July 27,'04	108½	108	51,000
Central of New Jersey, gen. g. 5's..........1987	45,091,000	J & J	133	July 21,'04	133	132¼	3,000
• registered..........		Q J	130	June 22,'04	....	....	....
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	111½	July 12,'04	111½	111½	1,000
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	103¼	July 8,'04	103¼	103¼	2,000
• con. extended gtd. 4½'s. 1910	12,175,000	Q M	102¼	July 28,'04	102⅞	102¼	17,000
N.Y. & Long Branch gen. g. 4's. 1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	108	July 1,'04	108	108	1,000
• Mortgage gold 6's......1911	2,000,000	A & O	111½	July 27,'04	111½	111½	14,000
• 1st con. g. 5's..........1939	25,858,000	M & N	118½	July 26,'04	119	117⅞	60,000
• registered..........		M & N	118	July 26,'04	118	118	6,000
• Gen. m. g. 4½'s..........1992	38,073,000	M & S	106⅛	July 29,'04	107	105⅛	302,000
• registered..........		M & S	95	Dec. 22,'03	....	....	....
• Craig Val. 1st g. 5's.....1940	650,000	J & J	112	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	101½	July 30,'04	101½	100¾	10,000
• 2d con. g. 4's..........1989	1,000,000	J & J	96	July 8,'04	96	96	10,000
• Warm S. Val. 1st g. 5's, 1941	400,000	M & S	106¼	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	90⅝	Dec. 30,'03	....	....	....
Chic. & Alton R. R. ref. g. 3's.... 1949	31,988,000	A & O	84	July 19,'04	85¼	84	21,000
• • registered.....		A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s. 1950	22,000,000	J & J	78⅜	July 29,'04	79	78	243,000
• registered..........		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:							
• Chic. & Iowa div. 5's....1905	2,320,000	F & A	104¾	Apr. 11,'91	....	....	....
• Denver div. 4's..........1922	4,931,000	F & A	102	July 9,'04	102	101¾	2,000
• Illinois div. 3½s........1949	50,835,000	J & J	94	July 27,'04	94	93⅛	257,000
• registered..........		J & J	90½	Apr. 16,'04	....	....	....
• Illinois div. 4s..........1949	5,992,000	J & J	105	July 20,'04	105	105	10,000
• (Iowa div.) sink. f'd 5's, 1919	2,449,000	A & O	193¾	Apr. 27,'04	....	....	....
• 4's..........1919	8,049,000	A & O	102⅛	July 27,'04	102⅛	101¾	8,000
• Nebraska extensi'n 4's, 1927	25,344,000	M & N	105	July 22,'04	105	104⅝	80,000
• registered..........		M & N	105	Dec. 2,'03	....	....	....
• Southwestern div. 4's..1921	2,650,000	M & S	100¾	Feb. 8,'04	....	....	....
• 4's joint bonds..........1921	215,207,000	J & J	96¾	July 30,'04	98⅜	95¾	2,919,000
• • registered		Q JAN	97	July 30,'04	98	94¾	192,000
• 5's, debentures..........1913	9,000,000	M & N	105½	June 29,'04	....	....	....
Han. & St. Jos. con. 6's..........1911	8,000,000	M & S	114½	July 26,'04	114½	114½	2,000
Chicago & E. Ill. 1st s. f'd c'y. 6's. 1907	2,989,000	J & D	105⅝	June 2,'04	....	....	....
• small bonds..........		J & D	103½	July 8,'04	103½	103½	100
• 1st con. 6's, gold......1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
• gen. con. 1st 5's.......1937	15,323,000	M & N	118½	July 23,'04	118½	116⅛	20,000
• registered..........		M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,323,000	J & J	116¼	July 28,'04	116¼	116⅛	20,000
Chicago, Indianapolis & Louisville.							
• refunding g. 6's..........1947	4,700,000	J & J	129½	July 29,'04	129½	129	17,000
• ref. g. 5's..........1947	4,442,000	J & J	113	July 29,'04	113	111½	11,000
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	109½	July 27,'03	109½	109	3,000
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	1,286,000	J & J	175	Apr. 22,'04	....	....	....
• terminal g. 5's.........1914	4,748,000	J & J	110	July 29,'04	110	109¾	2,000
• gen. g. 4's, series A....1989	23,676,000	J & J	109¼	July 27,'04	109¼	108	12,000
• registered..........	....	Q J	109½	June 18,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	98⅞	May 25,'04	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	116	Apr. 15,'04	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	110¼	Feb. 23,'04	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	115¾	July 27,'04	115¾	114¾	14,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	111¾	June 17,'04	....	....	....
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	117¾	May 25,'04	....	....	....
" 1st 5's	1910	990,000	J & J	106	Mar. 25,'04	....	....	....
" 1st 7's, Iowa & D, ex,	1908	1,005,000	J & J	169	Mar. 14,'04	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	112½	July 19,'03	112½	112½	1 000
" Mineral Point div. 5's,	1910	2,840,000	J & J	107	May 4,'04	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	110½	July 13,'04	110½	110¼	6,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	112	May 26,'04	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	114¼	July 28,'04	114¼	114	6,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	112	July 12,'04	112	112	2,000
" 1st con. 6's	1913	5,092,000	J & D	115½	June 14,'04	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	128	June 4,'04	....	....	....
" extension 4's.....	1886-1926	18,632,000	F A 15	104⅞	June 24,'04	....	....	....
" registered			F A 15	102⅝	May 11,'04	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	99	July 26,'04	99	98¾	16,000
" registered			Q F	103	Nov. 19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,686,000	A & O	117	July 26,'04	118	116	8,000
" registered			A & O	111½	Dec. 11,'03	....	....	....
" sinking fund 5s'..	1879-1929	6,769,000	A & O	110	June 14,'04	....	....	....
" registered			A & O	107	Mar. 28,'04	....	....	....
" deben. 5's	1909	5,900,000	M & N	105	July 28,'04	105	105	2,000
" registered			M & N	104	Mar. 3,'04	....	....	....
" deben. 5's	1921	10,000,000	A & O	108¼	June 6,'04	....	....	....
" registered			A & O	108¾	Jan. 12,'04	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	118	July 4,'04	118	118	3,000
" registered			M & N	114⅛	June 3,'04	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105⅝	Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	109¾	June 18,'04	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127¼	June 14,'04	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	117¾	Mar. 28,'04	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131¾	Dec. 3,'03	....	....	....
" con. deb. 5's	1907	436,000	F & A	103	Apr. 8,'04	....	....	....
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	125	June 6,'04	....	....	....
" registered	1917		J & J	120	Feb. 17,'04	....	....	....
" gen. g. 4's	1988	61,581,000	J & J	104¼	July 30,'04	105¼	104	738,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. tr. ser. 4's ser. C.	1905	1,494,000	M & N	100⅝	July 2,'02	....	....	....
" D	1906	1,494,000	M & N	....	....	....	....	....
" E	1907	1,494,000	M & N	....	....	....	....	....
" F	1908	1,494,000	M & N	....	....	....	....	....
" G	1909	1,494,000	M & N	....	....	....	....	....
" H	1910	1,494,000	M & N	97	July 14,'04	97	97	1,000
" I	1911	1,494,000	M & N	....	....	....	....	....
" J	1912	1,494,000	M & N	....	....	....	....	....
" K	1913	1,494,000	M & N	....	....	....	....	....
" L	1914	1,494,000	M & N	....	....	....	....	....
" M	1915	1,494,000	M & N	96	May 16,'04	....	....	....
" N	1916	1,494,000	M & N	93	May 24,'04	....	....	....
" O	1917	1,494,000	M & N	....	....	....	....	....
" P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	71⅛	July 29,'04	72⅛	68¾	3,228,000
" registered			M & N	70¾	July 15,'04	70¾	70¾	7,000
" coll. trust g. 5's	1913	17,180,000	M & S	81⅝	July 29,'04	82⅞	80	1,079
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	102	July 25,'04	102	101½	6,000
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	119	June 30,'04	....	....	....
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	110½	June 7,'04	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug 21,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	104⅝	Jan. 26,'04	....	....	....
" con. g. 5's	1952	5,411,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	95¼	Oct. 1,'03	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	90	Oct. 1,'03	....	....	....
" extension 4 s		672,000	J & J	98	Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	106¾	July 8,'04	106¾	106½	3,000
" small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
Chic., St.P., Minn.& Oma.con. 6's	1930	14,682,000	J & D	133¾	July 12,'04	133¾	132½	8,000
• con. 6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,872,000	M & N	129	May 11,'04	....	....	....
North Wisconsin 1st mort. 6's	1930	659,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	123½	July 11,'04	123½	123¼	5,000
Chic., Term. Trans. R. R. g. 4's	1947	14,735,000	J & J	74	July 27,'04	75	73	85,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,519,000	Q M	111⅛	Apr. 28,'04	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104½	Dec. 5,'03	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	113¼	July 14,'04	113¼	113¼	1,000
Cin. Find. & Ft. W. 1st gtd g. 4's	1923	1,000,000	M & N	....		....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's	1953	3,200,000	J & J	97	July 8,'04	97	97	1,000
Clev., Cin., Chic. & St.L. gen. g. 4's	1993	18,749,000	J & D	101⅞	July 28,'04	102	100⅝	165,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	100	July 9,'04	100	100	6,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98⅛	July 30,'04	98⅛	98⅛	10,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	101	July 26,'04	102	100⅝	21,000
• registered				99	Jan. 28,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,599,000	Q F	102½	July 15,'04	102½	102½	1,000
• registered				95	Nov. 15,'94	....	....	....
• con. 6's	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	115¼	June 23,'04	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	128	Mar. 16,'04	....	....	....
• registered			J & J	....		....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	99¼	July 28,'04	100	98⅛	108,000
• income 4's	1990	4,000,000	A	62	July 18,'04	62	59	23,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116	Feb. 10,'04	....	....	....
• registered			Q J	....		....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	60½	July 30,'04	60½	58	48,000
Colorado & Southern 1st g. 4's	1929	18,808,000	F & A	85	July 29,'04	85¼	83¾	184,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	112⅝	Jan. 25,'04	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	128½	June 20,'04	....	....	....
• 1st c. gtd 7's	1915	11,677,000	J & D	130	July 28,'04	130	129	12,000
• registered			J & D	140	Oct. 26,'98	....	....	....
• 1st refund. gtd. g. 3½'s	2000	7,030,000	J & D	....		....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	128⅛	July 16,'04	128⅛	128¼	5,000
• const. 5's	1923	5,000,000	F & A	114½	July 6,'04	114⅛	114⅛	2,000
• terml. imp. 4's	1923	5,000,000	M & N	103⅛	July 5,'04	103⅛	103⅛	1,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	108¼	July 16,'04	108¼	108¼	11,000
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	133¾	Mar. 30,'04	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	106	June 3,'04	....	....	....
• registered			A & O	122	June 6,'99	....	....	....
• 6's	1906	7,000,000	A & O	104	May 12,'04	....	....	....
• registered			A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	142	July 25,'04	142	142	7,000
• 1st r 7's	1921		M & N	147¾	June 18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	101	July 29,'04	101⅛	99¼	152,000
• con. g. 4½'s	1936	6,382,000	J & J	104¼	July 1,'03	104¼	104¼	2,000
• impt. m. g. 5's	1928	8,318,500	J & D	105½	July 29,'04	106⅛	105½	2,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	99¾	July 29,'04	101	97¼	199,000
• mge. & col. tr. g. 4's ser. A	1949	12,730,000	A & O	90	July 23,'04	90	88⅝	17,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Denv. & Southern Ry g. s. fg. 5's	1929	4,923,000	J & D	24	May 4,'04	....	....	....
• Midl'd Ter. Ry. 1st g. s. f. 5's	1925	128,000	J & D	....		....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	98	July 23,'04	98	98	35,000
• g. 4s	1995	1,250,000	J & D	92½	July 8,'04	92½	92½	3,000
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	40½	July 19,'04	41	37	47,000
• Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	78	July 26,'04	78	69	102,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	111⅜	June 14,'04	....	....	....
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....		....	....	....
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	111	Jan. 28,'04	....	....	....
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S	....		....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	116	July 8,'04	116	116	5,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July11,'04	113¾	113¾	1,000
" 3d extended g. 4½'s	1923	4,617,000	M & S	110	June23,'04	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	101⅞	June 26,'03	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	134	June28,'04	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g. 4s prior bds.	1996	35,000,000	J&J	98¾	July29,'04	99	98¼	191,000
" registered			J&J	98½	Jan. 21,'04	....	....	....
" 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	84½	July29,'04	86	84	386,000
" registered			J&J	85¾	Feb. 4,'04	....	....	....
" Penn. col. trust g. 4's.	1951	32,000,000	F & A	93⅜	July28,'04	95¼	92½	490,000
Buffalo, N.Y. & Erie 1st 7's	1916	2,380,000	J & D	125¼	June21,'04	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	119¾	July26,'04	120	118½	99,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	132	Apr. 13,'04	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04	118⅛	118	3,000
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov.25,'03	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	108½	Jan. 6,'04	....	....	....
" small						....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¾	May 17,'04	....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,745,000	J & J	111	July 8,'04	111	111	10,000
" 2d g. 4½'s	1937	447,000	F & A	99¾	June30,'04	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	103¼	July21,'04	103½	103½	2,000
" term. 1st g. 5's	1943	2,000,000	M & N	113½	Jan. 8,'04	....	....	....
" registered ......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109¼	July19,'04	111	109¼	3,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,581,000	J & J	107	Dec. 17,'03	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	120	June 6,'04	....	....	....
" 1st General g 5's	1942	2,223,000	A & O	105¾	July19,'04	105¾	105¾	3,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D.C. ctfs. dep. 1st 6's	1921	8,176,000	......	104½	July27,'04	104½	104	9,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	83¼	July29,'04	83½	83	25,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102¼	June 7,'04	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	103	July15,'04	103¼	102½	39,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	108	July30,'04	108	107¼	173,000
" registered			J & J	105½	July14,'04	105½	105½	1,000
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	100¼	Apr. 12,'04	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115	Apr. 11,'04	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	101¼	Apr. 20,'04	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July13,'96	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	105¾	July29,'04	105¾	105	4,500
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	104½	July26,'04	104½	104½	8,000
" registered			M & N	101	Apr. 7,'04	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Louisville div. g. 3½'s	1953	14,320,000	J & J	95	July19,'04	95	94	26,000
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	80	Jan. 12,'04	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	94½	July 7,'04	94½	94½	2,000
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's	1951	5,425,000	F & A	107¼	July13,'04	107¼	107¼	2,000
" registered			F & A	101½	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	119	Feb. 25,'04	....	....	....
" gold 5's, registered........			J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3 ½'s..............	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered..............			J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	8,500,000	J & D	102¼	Dec. 15,'03	....	....	....
" registered..............			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
" 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g 4's..	1950	4,850,000	J & J	98	July 12,'04	98	98	2,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	11,291,000	M & N	120	July 15,'04	120	120	3,000
" 2d g. 5's...	1909	10,391,000	M & S	99	July 29,'04	99⅞	99	158,000
" 3d g. 4's................	1921	2,959,500	M & S	70	Nov. 19,'03	....	....	....
Iowa Central 1st gold 5's.........	193…	7,650,000	J & D	112⅛	July 30,'04	112⅛	110	17,000
" refunding g. 4's ...	1951	2,000,000	M & S	87½	June 29,'04	....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	71½	July 27,'04	71¾	71¼	200,000
" registered..............			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119⅛	June 14,'04	....	....	....
" 2d mtge. g. 5's..........	1941	3,625,000	J & J	114½	July 16,'04	114½	114½	5,000
Northern Ohio 1st gtd g 5's..	1945	2,500,000	A & O	112	Feb. 16,'04	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	107¼	May 21,'04	....	....	....
" registered..............			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	108½	July 1?,'04	108½	108½	1,000
" registered..............		....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,0.0	A & O	113⅝	June 1,'02	....	....	....
" registered..............			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,014,000	J & J	107	Jan. 19,'04	....	....	....
" registered..............	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	93	May 12,'04	....	....	....
" registered..............			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....	....	....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100⅝	June 16,'04	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	116	Apr. 9,'03	....	....	....
" 1st con. g. 4's...........	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's..........	1938	3,900,000	J & D	99½	July 13,'04	99½	99	2,000
" Ferry 1st g. 4½'s......	1922	1,494,000	M & S	101	Feb. 29,'04	....	....	....
" g. 4's..................	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's...........	1949	6,860,000	M & S	101⅞	July 22,'04	101⅞	101½	33,000
" deb. g. 5's.......	1934	1,135,000	J & D	110	June 22,'04	....	....	....
" gtd. refunding g. 4's..	1949	10,000,000	M & S	101⅞	July 22,'04	101⅞	101¼	26,000
" " registered........			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
" 1st 5's.................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112½	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	Q JAN	112¼	Apr. 9,'02	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.	1927	2,724,000	M & S	103⅜	July 26,'04	103⅝	101	106,000
Louis. & Nash. gen. g. 6's.......	1930	8,239,000	J & D	118	July 21,'04	118	117	14,000
" gold 5's....	1937	1,764,000	M & N	114½	July 29,'04	114½	114½	11,000
" Unified gold 4's........	1940	31,722,000	J & J	100¼	July 30,'04	100¾	99¾	608,000
" registered	1940		J & J	101⅞	June 18,'94	....	....	....
" collateral trust g. 5's.	1931	5,129,000	M & N	113	June 30,'04	....	....	....
" 5-20 yr. col. tr. deed g. 4's.	1923	23,000,000	A & O	99¼	July 30,'04	99¼	98½	636,000
" E., Hend. & N. 1st 6's..	1919	1,730,000	J & D	111½	June 9,'04	....	....	....
" L. Cin. & Lex. g. 4½'s, ..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N.O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	123¼	July 7,'04	123¼	123¼	2,000
" 2d g. 6's...............	1930	1,000,000	J & J	122¾	Aug. 31,'03	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	122	Apr. 21,'04	....	....	....
" 2d g. 3's...............	1980	3,000,000	M & S	75	June 20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,587,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	99	July 14,'04	99	99	2,000
" L. & N. & Mob. & Montg 1st. g. 4½s...........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
" South. Mon. joint 4's.	1952	11,827,000	J & J	94	July 27,'04	94	92	23,000
" registered..............			Q Jan	....	....	....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	117½	July 15,'04	117½	117½	2,000
" Pen. & At. 1st g. g, 6's,	1921	2,4‥4,000	F & A	115	Jan. 29,'04	....	....	....
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	117	July 19,'04	117	117	2,000
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	97½	Apr. 9,'04	....	....	....
Manhattan Railway Con. 4's.....	1990	23,065,000	A & O	105⅝	July 30,'04	105⅝	105	75,000
" registered..............			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	110⅛	June30,'04	....	....	....
Manitoba Swn. Coloniza'n g.5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's.........1911	65,690,000	J & J	62½	July28,'04	64	62	156,000
" 1st con. inc. 3's.........1939	20,511,000	JULY	14	July26,'04	15⅛	13¼	286,000
" 2d 3's...................1939	11,724,000	JULY	9	July15,'04	9¼	7⅝	230,600
" equip. & collat. g. 5's....1917	600,000	A & O	....	....	....	....	....
" 2d series g. 5's..........1919	715,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	92¾	July 1,'04	92¾	92¾	13,000
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
" stamped gtd.............	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,016,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	142	Dec. 7,'03	....	....	....
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	112⅜	Dec. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	120½	Feb. 29,'04	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's...........1934	5,000,000	M & N	118	July28,'04	118	118	5,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	96¼	July 9,'04	96⅜	96¼	20,000
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	26,815,000	J & J	99	July19,'04	99	99	5,000
" stamped pay. of int. gtd.			....	....	....	....	....
Minneapolis & Pacific 1st m. 5's..1936	337,000	J & J	102	Mar.26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.			89⅝	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	40,000,000	J & D	99½	July29,'04	100¼	98½	206,500
" 2d mtge. g. 4's.........1990	20,000,000	F & A	80½	July30,'04	81	79	224,000
" 1st ext gold 5's.. 1944	3,254,000	M & N	103½	July23,'04	103½	101½	136,000
St. Louis div. 1st refundg 4s...2001	1,859,000	A & O	83½	July28,'04	83½	82½	7,000
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	102	Jan. 26,'04	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.1942	4,505,000	M & S	105½	July29,'04	105¾	102⅛	299,000
Sher.Shrevept & So1st gtd.g.5's1943	1,689,000	J & D	103	May 10,'04	....	....	....
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	July14,'04	90	90	10,000
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	110	June21,'04	....	....	....
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	121½	July26,'04	121½	120⅜	24,000
" 3d mortgage 7's.......1906	3,828,000	M & N	108	July14,'04	108	108	20,000
" trusts gold 5's stamp'd1917	14,376,000	M & S	107½	July28,'04	108	107½	120,000
" registered................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	108½	July21,'04	108⅞	108	49,000
" registered................		F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.1919	3,459,000	F & A	96	July 6,'04	96	96	5,000
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Little Rock & Ft. Smith 1st 7's.1905	3,000,000	J & J	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	103½	June17,'04	....	....	....
" 2d extended g. 5's.....1938	2,573,000	F & A	113¾	May 25,'04	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,799,000	A & O	116⅛	July29,'04	116⅜	115¾	55,000
" stamped gtd gold 5's..1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
" unify'g & rfd'g g. 4's.1929	27,563,000	J & J	90⅝	July30,'04	90¾	88¾	309,000
" registered............		J & J	87¼	Apr. 23,'04	....	....	....
" Riv&Gulf divs 1stg 4s.1933	14,924,000	M & N	95	July27,'04	96	93¾	236,000
" registered................		M & N	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
" small......................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's...............1945	700,000	J & J	91	Feb. 25,'04	....	....	....
" small......................	500,000	......	....	....	....	....	....
Mob. Jackson&Kan.City 1stg.5's.1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	123¾	June 6,'04	....	....	....
" 1st extension 6's......1927	974,000	J & D	121	Apr. 23,'04	....	....	....
" gen. g. 4's.............1938	9,472,000	Q J	94½	July 8,'04	94½	94¼	20,000
" Montg'ry div. 1st g.5's.1947	4,000,000	F & A	113½	May 9,'04	....	....	....
St. Louis & Cairo gtd g. 4's....1931	4,000,000	M & S	90	Apr. 13,'04	....	....	....
" collateral g. 4's.......1930	2,494,000	Q F	92½	July 29,'04	92½	92½	7,000
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	124½	June27,'04	....	....	....
" 1st cons. g. 5's..........1928	7,566,000	A & O	115	July30,'04	115¼	113½	17,000
" 1st g.6's Jasper Branch.1923	371,000	J & J	123	Mar.28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	113½	June 9,'04	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	113	July 6,'99	113	113	10,000
Nat.R.R.of Mex.priorlieng.4½'s.1926	20,000,000	J & J	103½	June29,'04	....	....	....
" 1st con. g. 4's............1951	22,000,000	A & O	77	July29,'04	78	76½	103,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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N.Y. Cent. & Hud. R. g. mtg. 3½s. 1997	70,857,000	J & J	100	July 29,'04	100	99	96,000
" " registered......		J & J	99½	June 10,'04	....	....	....
" debenture 5's.....1884-1904	4,480,000	M & S	101¾	June 17,'04	....	....	....
debenture 5's reg..........		M & S	100⅞	Apr. 6,'04	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103½	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	100⅝	Mar. 2,'04	....	....	....
" registered..................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,581,000	M & N	99¾	May 17,'04	....	....	....
" registered................		M & N	99⅛	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	93	July 30,'04	93½	92⅝	106,000
" registered................		F & A	91½	July 8,'04	91½	91½	2,500
Michigan Central col. g. 3½s..1998	19,336,000	F & A	90¾	July 29,'04	91¼	90¼	45,000
" registered................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	105½	July 7,'04	105½	105½	17,000
" registered...............		J & J	102	Mar. 31,'03	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....		....	....	....
" registered..............	....	J & J	....		....	....	....
" ext. 1st. gtd. g. 3½'s..1951	3,500,000	A & O	....		....	....	....
" registered...............		A & O	....		....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	716,000	J & J	87½	June 23,'04	....	....	....
" small bonds series B.......	33,000	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....		....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates..........		F & A	....		....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105½	Nov. 15,'98	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....		....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	108¼	July 29,'04	108¼	107¼	23,000
" registered...............		J & J	107¼	July 29,'04	107⅝	105⅞	80,500
Lake Shore g 3½s..............1997			100⅛	July 28,'04	100½	99¾	56,000
" registered..............	50,000,000	J & D	98	Apr. 13,'04	....	....	....
" deb. g. 4's...........1928	40,000,000	M & S	101½	July 29,'04	100¼	100⅝	834,000
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	121	Nov. 21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's...........1934	900,000	J & J	....		....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....		....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's.....................1931	3,576,000	M & S	121⅝	July 20,'04	121⅝	121⅝	1,000
" 5's reg.................1931		Q M	121	July 20,'04	121	121	1,000
" 4's.....................1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg....................		J & J	106¼	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S............	1,900,000	M & S	....		....	....	....
" 1st g. 3½'s............1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....		....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	100	Sept. 24,19'	....	....	....
" 7's registered...........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	113	Apr. 4,'04	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	118	July 28,'04	118	117	10,000
coup. g. bond currency..........		A & O	....		....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....		....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	105	July 29,'04	105	104½	16,000
" registered..................		A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's 1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's....1905	6,000,000	J & J	101⅞	Apr. 20,'03	....	....	....
" 1st 6's.................1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	17,937,000	M & S	103¼	July 30,'04	104	103	115,000
" registered.......$5,000 only.	....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,590,000	M & N	112½	Apr. 12,'04	....	....	....
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	127	Nov. 28,'03	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	132¼	July 23,'04	132¼	132	6,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sale for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Norfolk & West. Ry 1st con. g. 4s.	1996	38,710,500	A & O	101⅜	July 30,'04	101¾	100¼	252,500
" registered			A & O	99¾	June18,'03	....	....	....
" small bonds			A & O	....		....	....	....
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	93½	July 28,'04	94	93	320,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	107½	July 1,'01	....	....	....
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	101¼	July 29,'04	101¼	101	4,000
N. P. Ry prior in ry.&ld.gt.g.4's.	1997	101,392,500	Q J	105½	July 29,'04	105⅛	103¾	421,500
" registered			Q J	104¼	July 6,'04	104¼	103¼	15,000
" gen. lien g. 3's	2047	56,000,000	Q F	74⅞	July 30,'04	75¼	74	361,500
" registered			Q F	72⅝	June17,'04	....	....	....
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	97⅝	Jan. 11,'04	....	....	....
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	123¼	June28,'04	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03	....	....	....
" 2d 5's	1917	2,000,000	A & O	105½	Apr. 11,'04	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	98	Nov. 27,'03	....	....	....
Washington Cen. Ry 1st g. 4's.	1948	1,538,000	QMCH	90	July 14,'04	90	90	1,000
Nor. Pacific Term. Co. 1st g. 6's.	1933	3,641,000	J & J	113½	May 31,'04	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	110	July 7,'04	110	110	1,000
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 29,'02	....	....	....
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	109¼	July 28,'04	110	107¾	10,000
Panama 1st sink fund g. 4½'s	1917	2,246,000	A & O	102½	June16,'03	....	....	....
" s. f. subsidy g 6's	1910	887,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108½	July 23,'04	108⅛	108	8,000
" reg	1921		J & J	105¾	June25,'04	....	....	....
" gtd.3½ col.tr.reg. cts.	1937	4,895,000	M & S	98	July 16,'04	....	....	....
" gtd.3½ col.tr.cts.ser B	1941	9,794,000	F & A	92¼	Dec. 28,'03	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	17,332,000	M & N	98	July 16,'04	98	97½	3,000
Chic., St. Louis & P. 1st c. 5's.	1932	1,506,000	A & O	118½	June27,'04	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J	....		....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,983,000	F & A	96	Jan. 8,'04	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,750,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	1,508,000	J & J	98¾	Apr. 4,'04	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	108	Apr. 25,'04	....	....	....
" Series B gtd	1942	8,786,000	A & O	110	Mar. 5,'04	....	....	....
" Series C gtd	1942	1,379,000	M & N	116½	Feb. 14,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	102	July 6,'04	102	102	1,000
" Series E gtd. g. 3½s	1949	10,421,000	F & A	90½	June 7,'04	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04	....	....	....
Tol WalhondingVy.&O.1st gtd.bds 4½'s series A	1931	1,500,000	J & J	....		....	....	....
" 4½'s series B	1933	978,000	J & J	....		....	....	....
" 4's series C	1942	1,453,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	105	Mar. 26,'04	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	114	Dec. 15,'03	....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	2,797,000	M & N	106	Aug. 28,'03	....	....	....
" ten year conv. 3½'s	1912	20,694,500	M & N	98	July 28,'04	98½	96¾	317,500
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's.	1936	1,300,000	F & A	....		....	....	....
G.R.& Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	108½	Apr. 20,'04	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....		....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	117	May 1,19'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	121	May 14,'04	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04	101	100	5,000
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	122	July 18,'04	122	120¾	5,000
" 1st con. gold 5's	1939	2,850,000	M & N	109	May 20,'04	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	112⅛	July 29,'04	112⅛	112⅛	1,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....

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NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
Pittsburg, Junction 1st 6's.......1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112½	Dec. 18,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	115⅛	Mar. 7,'04	....	....	....
" 1st cons. 5's..............1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	114⅛	May 5,'04	....	....	....
Reading Co. gen. g. 4's...........1997	66,232,000	J & J	99	July 30,'04	99¼	98⅝	821,000
" registered..................		J & J	99	June 13,'03	....	....	....
" Jersey Cent. col. g. 4's..1957	23,000,000	......	95⅞	July 28,'04	96	95	89,000
" " registered.....	....	......	....	....	....	....	....
Atlantic City 1st con. gtd. g. 4's.1951	1,063,000	M & N	....	....	....	....	....
Philadelphia & Reading con. 6's.1911	7,304,000	J & D	....	....	....	....	....
" registered...................	663,000	J & D	....	....	....	....	....
" 7's.......................1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
" " registered...............	3,339,000	J & D	....	....	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	2,000,000	J & D	111⅛	July 28,'04	111⅛	110¾	6,000
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	68	June 27,'04	....	....	....
" guaranteed............	2,277,000	......	94¼	Nov. 15,'02	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J	....	....	....	....	....
Rutland Canadian 1st gtd. g. 4's.1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 3.342........1947	3,500,000	J & J	84⅛	June 11,'04	....	....	....
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....	....	....	....	....
" 2d g. 6's...............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103¼	June 2,'04	....	....	....
" 2d g. 6's, Class C.......1906	829,000	M & N	103⅝	June 24,'04	....	....	....
" gen. g. 6's.............1931	3,681,000	J & J	127	June 21,'04	....	....	....
" gen. g. 5's.............1931	5,808,000	J & J	111	July 30,'04	111	110¾	3,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	96	July 29,'04	96	96	12,000
" S. W. div. g. 5's.........1947	829,000	A & O	100	Jan. 21,'04	....	....	....
" refunding g. 4's........1951	57,853,000	J & J	82⅛	July 30,'04	82¼	80¾	1,468,000
" " registered...		J & J	....	....	....	....	....
" 5 year 4½'s gold notes.1908	5,728,000	J & D	....	....	....	....	....
Kan. Cy Ft. S. & Mem RR cong 6's 1928	13,736,000	M & N	119¾	Feb. 4,'04	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s.1936	15,977,000	A & O	84¾	July 30,'04	85¼	81	763,000
" registered.................		A & O	78⅛	Jan. 14,'04	....	....	....
Kan. Cy & M. R. & B. Co. 1st gtd g 5s.1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	96⅛	July 26,'04	96⅝	95¼	76,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	76	July 28,'04	76	73	22,000
" con. g. 4's.... 1932	12,054,000	J & D	71¾	July 29,'04	72	68½	415,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,171,000	A & O	110¼	July 11,'04	110¼	110¼	1,000
" 1st con. 6's............1933	13,344,000	J & J	132¼	July 8,'04	132¼	132⅛	4,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	19,294,000	J & J	108⅜	July 7,'04	108⅜	108⅜	4,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,463,000	M & N	109½	May 11,'04	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103	July 11,'04	103	103	1,000
" registered................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1std. 1st g. 5's..1908	4,700,000	A & O	104	Aug. 15,'03	....	....	....
" registered................		A & O	....	....	....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....	....	....	....	....
" registered................		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Apr. 25,'04	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	114½	Mar. 16,'04	....	....	....
" registered................		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
" registered................		J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's.....1913	297,000	J & J	....	....	....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's, 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	69⅞	July 28,'04	70	69	20,000
" registered................		A & O	....	....	....	....	....
" col. trust refdg g. 5's..1911	10,000,000	M & N	100	July 27,'04	100	97¼	5,000
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	93	June 20,'04	....	....	....
Fla Cent & Peninsular 1st g. 5's.1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ext g. 5's.1930	410,000	J & J	....	....	....	....	....
" cons. g. 5's.............1943	4,370,000	J & J	104¾	July 18,'04	104¾	104¾	2,000
Georgia & Alabama 1st con. 5's.1945	2,922,000	J & J	104½	July 29,'04	105	104	26,000
Ga. Car. & Nthern 1st gtd g. 5's.1929	5,360,000	J & J	108	June 30,'04	....	....	....
Seaboard & Roanoke 1st 5's....1926	2,500,000	J & J	....	....	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	30,000,000	J & D	100⅝	July 29,'04	100¾	100⅝	259,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	94	July 28,'04	94½	93¼	356,000
" " registered......		J & D	87	Jan. 20,'04	....	....	....

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Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	102	Apr. 29,'04	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's	1949	70,496,000	F & A	101¾	July 28,'04	101⅞	100¾	856,000
" registered			F & A	99¼	Mar. 5,'93	....	....	....
" mtge. gtd. g. 3½'s	1929	18,040,500	J & D	87⅝	July 28,'04	88	87½	114,000
" " registered			J & D	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	110¼	Feb. 27,'03	....	....	....
" 2d g 7's	1905	1,000,000	J & D	103¾	Apr. 12,'04	....	....	....
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	107	June 1,'04	....	....	....
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	106	July 30,'04	106	106	20,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	105	Dec. 18,'03	....	....	....
" 1st gtd. g. 5's	1933	2,199,000	M & N	103½	July 7,'04	103½	103½	22,000
Houst. & T.C. 1st g 5's int. gtd.	1937	5,267,000	J & J	113	July 23,'04	113	113	2,000
" con. g 6's int. gtd.	1912	2,616,000	A & O	112	July 15,'04	112	112	3,000
" gen. g 4's int. gtd.	1921	4,287,000	A & O	94	July 30,'04	94	94	3,000
" W & Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	121	May 6,'04	....	....	....
" 1st 7's	1918	5,000,000	A & O	130	Apr. 26,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	104⅝	July 23,'04	104⅝	104⅝	50,000
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	101	Jan. 8,'04	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	83⅜	July 29,'04	85¾	83⅜	295,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108	May 23,'04	....	....	....
" " "	1910	4,000,000	J & J	105¾	July 1,'04	105¾	105¾	4,000
" of Cal. 1st g 6's ser. A	1905	29,187,500	A & O	102	May 6,'04	....	....	....
" " " ser. B	1905		A & O	102	Oct. 22,'03	....	....	....
" " " C. & D.	1906		A & O	102	Apr. 12,'04	....	....	....
" " " E. & F.	1902		A & O	115¼	June 14,'04	....	....	....
" " "	1912	....	A & O	116	June 29,'04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
" stamped	1905-1937	21,546,000	......	109	July 29,'04	109¼	109	9,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Mar. 9,'04	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	101	Feb. 5,'04	....	....	....
" Sabine div. 1st g 6's	1912	2,575,000	M & S	111½	Oct. 30,'02	....	....	....
" con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04	....	....	....
Southern Railway 1st con. g 5's	1994	39,208,000	J & J	114½	July 29,'04	115½	114	261,000
" registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	95	July 29,'04	95½	94¼	53,000
" registered			M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	114	July 18,'04	114	114	1,000
" registered			J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	96⅝	July 26,'04	97	95	78,000
" " registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	117½	Apr. 20,'04	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96⅝	June 29,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	113½	Apr. 23,'04	....	....	....
" con. 1st g 5's	1956	12,770,000	M & N	119	July 26,'04	119	118¼	13,000
" reorg. lien g 4's	1938	4,500,000	M & S	112	July 11,'04	112	112	2,000
" registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	123	June 2,'04	....	....	....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	124	July 28,'04	124	121¼	17,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116⅝	June 13,'04	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	112⅜	June 24,'04	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	87½	July 26,'04	87½	87	2,000
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	105½	June 29,'04	....	....	....
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small			M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	110	June 28,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	113¾	June 28,'04	....	....	....
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	July 26,'04	115	114	3,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,'0[illegible]	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02	....	....	....
Ter. R. R. Assn. St. Louis 1 g 4½'s	1939	7,000,000	A & O	114½	Dec. 1,'03	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	116¼	June 17,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	JULY SALES. High.	JULY SALES. Low.	JULY SALES. Total.
• gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	98⅛	July 29,'04	98⅛	98⅛	141,000
• " " registered.			J & J					
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	112⅛	112⅛	1,000
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,741,000	M & S	102	July 6,'04	102	102	2,000
• 1st gold 5's	2000	22,234,000	J & D	117⅛	July 29,'04	119	117⅛	101,000
• 2d gold income, 5's	2000	963,000	MAR.	80	June 15,'04			
• La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	109	May 21,'04			
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106⅛	Mar. 7,'04			
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114⅞	May 14,'04			
• 1st M. g 5's West. div	1935	2,500,000	A & O	111	May 31,'04			
• gen. g. 5's	1935	2,000,000	J & D	103⅛	July 11,'04	103⅛	103½	5,000
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	94½	July 22,'04	94½	93½	48,000
Toledo, Peoria & W. 1st g 4's	1917	4,[illegible]00,000	J & D	90	July 28,'04	90	90	11,000
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	84½	July 25,'04	84⅞	84	21,000
• registered			J & J					
• fifty years g. 4's	1925	6,500,000	A & O	73¼	July 27,'04	73½	71	43,000
• registered			A & O					
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	Apr. 29,'03			
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	113	July 6,'04	113	112	10,000
• 1st ref. g. 4's	1952	700,000	A & O	92	July 29,'04	92	91¾	15,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105½	July 29,'04	105⅝	103⅞	480,500
• registered			J & J	104	May 24,'04			
• 1st lien con. g. 4's	1911	87,257,000	M & N	101⅝	July 30,'04	103½	99¾	8,427,000
• registered			M & N	98½	June 21,'04			
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	102	July 27,'04	102¼	101¾	61,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	125¼	July 25,'04	125½	125½	1,000
• 1st con. g. 5's. 1946		12,328,000	J & J	114½	July 29,'04	115	114½	45,000
• 4's & participat'g g. bds.	1927	41,000,000	F & A	97¼	July 30,'04	98¼	97	847,000
• registered			F & A	95¼	Apr. 18,'04			
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03			
• g. 5's	1926	1,8[illegible]2,000	J & J	114½	Apr. 19,'02			
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	102½	July 7,'04	102½	102½	20,000
Wabash R.R. Co., 1st gold 5's	1939	33,001,000	M & N	118	July 30,'04	118¼	117¼	63,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	110	July 20,'04	110	109¼	23,000
• deben. mtg series A	1939	3,500,000	J & J	95	July 21,'04	95	95	4,000
• series B	1939	26,500,000	J & J	58½	July 29,'04	60½	57	880,000
• first lien eqpt. fd. g. 5's	1921	2,755,000	M & S	102	Jan. 13,'04			
• 1st lien 50 yr. g. term 4's	1954	1,416,000	J & J					
• 1st g. 5's Det. & Chi. ex	1940	3,349,000	J & J	110½	June 9,'04			
• Des Moines div. 1st g. 4s	1939	1,600,000	J & J	90	Feb. 20,'04			
• Omaha div. 1st g. 3½s	1941	3,000,000	A & O	83	July 13,'04	83	82½	3,000
• Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02			
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	473,000	A & O	109½	Mar. 13,'03			
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	116	Apr. 19,'04			
• gen g. 3-4's	1943	9,789,000	A & O	93⅝	May 18,'04			
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01			
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	122	Dec. 15,'03			
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112	Apr. 18,'04			
• Wheeling div. 1st g. 5's	1928	894,000	J & J	110¼	May 17,'04			
• exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03			
• 20 year eqptmt s. f. g. 5's	1922	2,152,000	J & J	100	July 29,'04	100¼	100	6,000
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	91¾	July 30,'04	92	90½	178,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	89½	July 26,'04	90	89¼	91,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J					
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	105	July 29,'04	106⅛	105	41,500
• 1st ref. conv. g. 4's	2002	5,000,000	J & J	78¼	July 30,'04	78¾	77¾	958,000
• • registered			J & J					
• City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	109	June 29,'04			
• Qu. Co. & S. c. gd. g. 5's	1941	2,255,000	M & N	100	Mar. 30,'04			
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	108¼	July 29,'04	108¾	107	215,000
• stamped guaranteed				100¾	July 15,'03			
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	90¾	July 30,'04	91	90	190,000
• stamped guaranteed								
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	82¾	July 30,'04	83¼	82½	302,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95			
Conn. Ry. & Light g 1st & rf g. g 4½'s	1951	8,355,000	J & J	97	July 29,'04	97	96½	44,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June 13.19'			
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J					
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J					
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01			
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D					
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03			
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J					

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Metro. St. Ry N.Y.g. col. tr.g. 5's	1997	12,500,000	F & A	116⅞	July 21,'04	116⅞	114	81,000
• refunding 4's	2002	15,134,000	A & O	90⅛	July 30,'04	91⅛	90	258,000
B'way & 7th ave. 1st con. g. 5's	1943	7,650,000	J & D	116	July 13,'04	116	115⅝	5,000
• registered			J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's	1993	3,000,000	M & S	118½	July 11,'04	118½	117½	3,000
• registered			M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's	1993	5,000,000	M & S	115½	May 25,'04	....	....	....
• registered			M & S	....		....	....	....
Third Ave. R.R. 1st c.gtd.g.4's	2000	36,943,000	J & J	94⅝	July 29,'04	94¾	93⅝	498,000
• registered			J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's	1937	5,000,000	J & J	121	June29,'04	....	....	....
Met. West Side Elev. Chic. 1st g. 4's	1938	9,808,000	F & A	94	June 2,'04	....	....	....
• registered			F & A	....		....	....	....
Mil. Elec. R. & Light con. 30 yr. g. 5's	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g. 5's	1937	3,500,000	M & N	....		....	....	....
St. Paul City Ry. Cable con. g. 5's	1937	2,480,000	J&J15	110	July, 8'04	110	110	3,000
• gtd. gold 5's	1937	1,138,000	J & J	112	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g. 5's	1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g. 4's	1934	28,292,000	J & J	80¾	June13,'04	....	....	....
United R. R. of San Fr. s. fd. 4's	1927	20,000,000	A & O	83¼	July 29,'04	83¾	80⅛	646,000
West Chic. St. 40 yr. 1st cur. 5's	1928	3,969,060	M & N	....		....	....	....
• 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.								
Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	103	July 30,'04	103	102½	41,500
Am. Steamship Co. of W. Va. g. 5's	1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N. Y. 1st c. g. 5's	1948	6,500,000	F & A	62½	July 26,'04	62½	62	8,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	111	Sept. 30,'03	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an.	1911	1,775,000	A & O	81	July 28,'04	83	81	51,000
Hackensack Water Co. 1st 4's	1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g. 5's	1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's	1951	11,580,000	F & A	91½	July 26,'04	91½	89½	51,500
• registered			F & A	....		....	....	....
St. Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	....		....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	112	July 27,'04	112	112	10,000
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	. ..	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series E 4's	1907-1917	1,000,000	J & D	....		....	....	....
• F 4's	1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
• G 4's	1903-1918	1,000,000	F & A	....		....	....	....
• H 4's	1903-1918	1,000,000	M & N	....		....	....	....
• I 4's	1904-1919	1,000,000	F & A	....		....	....	....
• J 4's	1904-1919	1,000,000	M & N	....		....	....	....
• K 4's	1905-1920	1,000,000	J & J	....		....	....	....
Small bonds		....	......	....		....	....	....
INDUSTRIAL AND MFG. BONDS.								
Am. Cotton Oil deb. ext. 4½'s	1915	2,919,000	......	98	July 8,'04	98	98	3,000
Am. Hide & Lea. Co. 1st s. f. 6's	1919	7,863,000	M & S	85	July 30,'04	85	80	147,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	85½	July 7,'04	85½	85½	1,000
Am. Thread Co., 1st coll. trust 4's	1919	6,000,000	J & J	80⅞	July 28,'04	81	78½	36,000
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's	1951	157,378,200	F & A	64⅝	July 30,'04	64½	61¼	2,076,000
• registered			F & A	61¾	July 1,'04	61¾	61¾	5,000
Dis. Secur. Cor. con. 1st g. 5's	1927	13,379,000	A & O	63	July 28,'04	65¾	63	541,000
Dis. Co. of Am. coll. trust g 5's	1911	2,530,000	J & J	99	Sept. 16,'03	....	....	....
Illinois Steel Co. debenture 5's	1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
• non. conv. deb. 5's	1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....
Internat'l Paper Co. 1st con. g 6's	1918	9,724,000	F & A	109½	July 25,'04	109½	108½	4,000
Int. Steam Pump 10 year deb. 6's	1913	2,500,000	J & J	101½	July 27,'04	101½	100½	21,000
Knick'r'ker Ice Co. (Chic) 1st g 5's	1928	1,937,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's	1923	15,000,000	A & O	101	July 29,'04	101	97⅞	319,000
Nat. Starch Mfg. Co., 1st g 6's	1920	2,924,000	J & J	89	July 19,'04	89	89	1,000
Nat. Starch. Co's fd. deb. g. 5's	1925	4,137,000	J & J	65¾	June 8,'04	....	....	....
Standard Rope & Twine 1st g. 6's	1946	2,740,000	F & A	40	July 30,'04	41½	38	15,000
Standard Rope & Twine inc. g. 5s	1946	7,500,000	......	2½	July 29,'04	2½	2½	1,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
United Fruit Co., con. 5's	1911	2,546,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's	1918	2,000,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	110½	July 29,'04	110½	110½	1,000
U. S. Reduction & Refin. Co. 6's	1931	....	....	79	Aug. 12,'03	....	....	....
U.S. Realty & Imp. con. deb. g. 5's	1924	12,896,000	....	80½	July 29,'04	83	80½	498,000
U.S. Shipbldg. 1st & fd g. 5's Ser. A	1932	14,500,000	J & J	28	Feb. 5,'04	....	....	....
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S. Steel Corp. 10-60 yr. g. sk. fd 5's	1963	170,000,000	M & N	78	July 30,'04	79½	75⅞	11,006,000
" " " reg.	1963		M & N	77¾	July 28,'04	79⅞	76⅞	18,000
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g. s. fd. g 5's	1943	5,355,000	F & A	99¾	July 14,'04	100	99¾	25,000
" conv. deb. g. 5's	1911	1,731,000	F & A	74	July 20,'04	74	74	10,000
" " registered			F & A	....	....	....	....	....
" " Trust Co. certfs		12,337,000	....	75	July 25,'04	75	69½	18,000
Col. C'l & I'n Dev. Co. gtd g. 5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off		....	....	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	610,000	M & N	105	Mar. 9,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's	1919	949,000	A & O	102½	July 26,'02	102½	102½	1,000
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105½	Oct. 10,'98	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	3,000,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s	1928	1,146,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	335,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's	1951	3,000,000	J & J	92	July 26,'04	92	92	13,000
" Tenn. div. 1st g. 6's	1917	1,182,000	A & O	106	Apr. 30,'04	....	....	....
" Birmingh. div. 1st con. 6's	1917	3,637,000	J & J	106⅝	July 5,'04	106⅝	103⅝	5,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C & I Co. gtd. g. 6's	1910	2,729,500	F & A	105	July 15,'04	105	105	4,000
Utah Fuel Co. 1st s. f. g. 5's	1931	866,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,434,000	M & S	71½	July 14,'04	71½	66½	14,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union Gas Co. 1st con g. 5's	1945	14,493,000	M & N	115¼	July 27,'04	115½	115¼	13,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	60	July 19,'04	60	60	2,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Detroit City Gas Co. g. 5's	1923	5,603,000	J & J	96⅝	July 23,'04	96⅝	95¾	14,000
Detroit Gas Co. 1st con. g. 5's	1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co. of N. Y. 1st con. g. 5's	1932	3,500,000	M & S	112	Nov. 11,'03	....	....	....
Gas. & Elec. of Bergen Co, c. g. 5s	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	90½	July 7,'04	90½	90½	23,000
Grand Rapids G. L. Co. 1st g. 5's	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105	June 18,'04	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L. & Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's	1997	5,010,000	J & J	120½	June 20,'04	....	....	....
Edison El. Ill. Bkln 1st con. g. 4's	1939	4,275,000	J & J	94⅝	June 23,'04	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	108½	July 28,'04	108½	107¾	12,000
" small bonds				97½	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	90¼	July 30,'04	90½	90	27,000
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N.Y. Gas El. H & P Co. 1st col tr g 5's	1948	15,000,000	J & D	108⅝	July 25,'04	109¼	108½	87,000
" registered			J & D					
" purchase mny col tr g 4's	1949	20,927,000	F & A	96	July 29,'04	96½	95	255,000
Edison El. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	105¾	July 29,'04	105¾	105¾	5,000
" 1st con. g. 5's	1995	2,156,000	J & J	120½	June 27,'04	....	....	....
N.Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	101	May 11,'04	....	....	....
N.Y. & Richmond Gas Co. 1st g. 5's	1921	1,000,000	M & N	100	Mar. 15,'04	....	....	....
Paterson & Pas. G. & E. con. g. 5's	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	101½	June 14,'03	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	101¾	July 28,'04	101¾	101	68,000
" 1st con. g 6's	1943	4,900,000	A & O	124½	July 18,'04	124½	124	3,000
" refunding g. 5's	1947	2,500,000	M & S	103	Apr. 9,'04	....	....	....
" refuding registered			M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	107	July 28,'04	107	106½	4,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	105¾	July 19,'04	105½	105¾	8,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	101	Mar. 5,'04	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	105	Apr. 27,'04	....	....	....
" registered		....	....	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's	1950	1,000,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's	1950	5,330,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	JULY SALES. *High*	JULY SALES. *Low.*	JULY SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	38,000,000	J & J	94	June30,'04	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,674,800	Q & J	100⅛	Apr. 8,'02	....	....	....
〃 registered....................		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	1,823,000	M & N	109¾	June22,'04	....	....	....
〃 registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	108½	July29,'04	108⅝	108½	18,000
〃 fundg & real estate g.4½'s.1950	17,000,000	M & N	104½	July29,'04	105	103½	125,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107	June20,'04	....	...	6,000
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	103	July26,'04	103	102½	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
United States con. 2's registered...1930	542,909,950	Q J	107¼	104¾	105⅛	105⅛	2,000
〃 con. 2's coupon............1930		Q J	106¼	105¼	....	....	......
〃 con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
〃 con. 2's coupon small bds.1930		Q J	....	....	....	....	......
〃 3's registered...........1908-18	77,135,300	Q F	106¾	104¾	104¾	104¾	5,500
〃 3's coupon.............1908-18		Q F	108	105¾	106¼	106¼	3,000
〃 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
〃 3's small bonds coupon.1908-18		Q F	107⅛	105	105¾	105	680
〃 4's registered..............1907	156,801,500	J A J&O	108¼	106⅝	106⅝	106⅝	17,000
〃 4's coupon...................1907		J A J&O	108	106⅝	106¾	106⅝	9,000
〃 4's registered..............1925	118,489,900	Q F	132⅞	132⅝	....	....	......
〃 4's coupon.................1925		Q F	134	132½	....	....	......
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
〃 small bonds.....................		F & A	....	....	....	....	......
〃 registered.......................		F & A	....	....	....	....	......
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	111¾	111¾	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	102¾	102¾	....	....	......
〃 〃 small............	....	....	....	....	....	....	......
〃 Class B 5's...................1906	575,000	J & J	....	....	....	....	......
〃 Class C 4's...................1906	962,000	J & J	....	....	....	....	......
〃 currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	105	102¼	102¼	102¼	1,000
〃 〃 small bonds..........							
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	102½	101	101	101	3,000
〃 small........................		J & J					
〃 6's..........................1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......1866-1900	556,500	J & J	....	....	....	....	......
〃 〃 1868-1898		A & O	....	....	....	....	......
〃 new bonds.............1892-1898	624,000	J & J	....	....	....	....	......
〃 〃		A & O	....	....	....	....	......
〃 Chatham R. R...................	1,200,000	A & O	....	....	....	....	......
〃 special tax Class 1.............	....	A & O	....	....	....	....	......
〃 〃 Class 2.............	....	A & O	....	....	....	....	......
〃 〃 to Western N. C. R....	....	A & O	....	....	....	....	......
〃 〃 Western R. R..........	....	A & O	....	....	....	....	......
〃 〃 Wil. C. & Ru. R........	....	A & O	....	....	....	....	......
〃 〃 Western & Tar. R.......	....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40............1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	95¼	96	96	4,000
〃 registered......................	6,079,000	J & J	....	....	....	....	......
〃 small bond......................	362,200	J & J	....	....	....	....	......
〃 redemption 4's............1907	469,000	A & O	....	....	....	....	......
〃 4½s..........................1913	1,000,000	A & O	....	....	....	....	......
〃 penitentiary 4½'s.........1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Virginia fund debt 2-3's of 1991	18,054,809	J & J	92½	91½	....	....	......
" registered		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	8	6½	7	6½	45,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1 ...... 1901 Four marks are equal to one dollar.	14,776,000 (Marks.)	M & S	....	....	....	....	......
Imperial Russian Gov. State 4% Rente.... Two rubles are equal to one dollar.	2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Quebec 5's 1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200	£22,076,220	......	100½	97½	97½	97½	2,000
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Alexander.—Joseph Alexander, head of the banking firm of Alexander & Co., Monongahela, Pa., died July 20, in his seventy-sixth year.

Appleton—Julius H. Appleton, President of the Springfield (Mass.) Institution for Savings, and one of the well-known banking men of the State, died July 6.

England.—Abner G. England, Vice-President of the First National Bank, Missoula, Mont., and one of the prominent farmers of Western Montana, died July 19. He was born in Lawrence county, Ill., in 1830, and in 1853 went to California, journeying overland with an ox team. In 1864 he located in the Missoula (Mont.) Valley.

Few.—Charles W. Few, Cashier of the First National Bank, Lebanon, Pa., and Secretary of Group 5, of the Pennsylvania Bankers' Association, died July 12, aged fifty years.

Goldman.—Marcus Goldman, senior member of the firm of Goldman, Sachs & Co., New York, died July 20.

Heinz—Fred Heinz, President of the Farmers and Mechanics' Savings Bank, Davenport, Ia., a former mayor of Davenport, and one of the well-known and active members of the American Bankers' Association, died July 10, in New York city.

Horton—Dexter Horton, founder of the banking-house of Dexter Horton & Co., Seattle, Wash., and reputed before his retirement several years ago to be the foremost banker of the State, dropped dead at his home of heart disease on the evening of July 28. He had been conducting a prayer meeting in his parlor and had just concluded when he was attacked. Mr. Horton was 78 years old, and had been a resident of Seattle since April, 1852. He was one of the original settlers of the townsite and figured in many of the financial and commercial enterprises of the community. He leaves an estate valued at $1,500,000.

Howe.—Leavitt Howe, Vice-President and director of the Princeton (N. J.) Bank, and one of the founders of the bank, died July 20, aged sixty-eight years.

Linbarger.—S. C. Linbarger, Cashier of the San Jose (Ill.) State Bank, died July 4. He was born at Plainfield, N. J., in 1856, but had resided at San Jose since 1876, and had been Cashier of the bank since 1892.

Sever.—C. W. Sever, for twenty-seven years President of the Cambridge (Mass.) Savings Bank, died July 19, aged seventy years.

Shepherd.—Harry E. Shepherd, Cashier of the Hughes Bank, Hume, Ill., died July 4 of injuries received in a railway accident. He was about thirty-four years of age at the time of his death, and had been Cashier of the bank since its establishment, in 1891.

Sloan.—Hon. Geo. B. Sloan, President of the Second National Bank, Oswego, N. Y., and ex-Vice-President of the New York State Bankers' Association, died July 10. He served in the State Assembly in 1874, 1876, 1877 and 1879, being Speaker in 1877. From 1886 to 1891 he was a member of the State Senate, and in 1896 was a Presidential elector on the Republican ticket.

Stacy.-F. G. Stacy, President of the National Bank of Gaffney, S. C., the Gaffney Savings Bank, and several industrial corporations, died June 28.

Stranahan.—Ex-Lieutenant-Governor F. Stewart Stranahan, of Vermont, died July 13, at his home in St. Albans, Vt., aged sixty-two years. He was Vice-President of the Welden National Bank, of St. Albans, and a director of several other corporations. He was a Civil War veteran and a prominent Republican.

Tudor.—O. H. Tudor, Cashier of the Ohio Valley National Bank, Cincinnati, O., died July 15. He was sixty years of age at the time of his death, and had long been identified with banking interests in Cincinnati.

Wilkins.—Virginius D. Wilkins, President of the Merchants and Planters' Bank, Pine Bluff, Ark., died July 10, aged seventy-two years.

THE

BANKERS' MAGAZINE

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FIFTY-EIGHTH YEAR. SEPTEMBER, 1904. VOLUME LXIX, No. 3.

THE THIRTIETH ANNUAL CONVENTION of the American Bankers' Association is to be held in New York city on September 14, 15 and 16. The selection of New York city for the convention is almost unique in the history of the association, no convention having been held in the great banking metropolis of the country since the year 1877. This convention was the third in the history of the association. It was opened at Association Hall on September 12 and continued three days. The principal topic of discussion was the all-absorbing one at that time of the resumption of specie payments. This was a little over a year before specie payments were actually resumed, on January 1, 1879. A desperate attempt was made throughout the country to secure the repeal of the resumption act of 1875 before it could take effect. The silver question was also largely in evidence. It was in the following February that Congress authorized the coinage of the silver dollar.

Most of the members of the executive council at that time and other officers of the association have passed away. Mr. LYMAN J. GAGE was then a member of the executive council. Mr. GEORGE F. BAKER was treasurer of the association. The chief addresses were made by ex-Governor STUART L. WOODFORD, of New York, SIR FRANCIS HINCKS, of Canada, Mr. GEO. S. COE and Hon. W. G. GROESBECK. The attitude of many of the speakers towards the resumption of specie payments was one of uncertainty as to the result when the Treasury should on January 1, 1879, be opened to pay gold in exchange for greenbacks. It is curious to find a man like GEO. S. COE, who always stood for sound money, expressing the belief that the act of 1875 and the Government's plan to resume on January 1, 1879, would fail because, he solemnly asseverated, the gold would be immediately drawn out in exchange for notes, and he feared that such a break-down would be the result that the day of successful re-

sumption would be indefinitely postponed. The successful working of the resumption act when January 1, 1879, arrived, made Mr. COE's fears, expressed at this convention, seem unworthy of a man of his judgment. Nevertheless, his only error was that he overestimated the burden of currency which would fall on the gold reserve provided by Secretary SHERMAN. Mr. COE seemed to believe that not only the legal-tender notes, but also the National bank notes, would be used to deplete the reserve. He overlooked the fact that the bank notes, being redeemable in legal-tender notes, would improve rather than detract from the credit of the latter. He was, however, correct in the view that the paper currency should not bear too great a proportion to the gold reserve, as was afterwards proved when excessive issues of Treasury notes and silver certificates caused the panic of 1893 and the redemption of legal-tender notes in endless chain until the gold reserve was practically exhausted. The difference between Mr. COE and Senator SHERMAN was as to the accumulation of gold necessary for resumption. Mr. COE thought the supply provided would prove inadequate. The result showed that Senator SHERMAN was right. Mr. GROESBECK'S address was an argument for aiding resumption by the coinage of silver, and the views he here expressed were at that time held by many practical men, and had great weight in leading Congress to authorize the coining of the silver dollar. Most all of the ideas in regard to the advantages of a restoration of silver by legislation, afterwards elaborated in the great silver controversy which continued until the defeat of BRYAN in 1896 and 1900, may be found in embryo, as it were, in Mr. GROESBECK'S address.

There will be a fine opportunity for some speaker in the convention next September to contrast banking in New York twenty seven years ago with its present gigantic development. There is reason to expect that the convention in New York will be a memorable one in the history of the association, as was that of 1877 in the wide range of interesting subjects skillfully and interestingly debated. It is believed that the coming convention will attract a greater attendance than was ever before known in the history of the association.

A RISE IN THE PRICE OF WHEAT has followed as a result of the unfavorable weather conditions prevailing in the West. The heavy rains no doubt inflicted great damage on the wheat crop, and the expectations of a restoration of confidence from this source will probably be disappointed. The cotton crop, however, continues to flourish. It has as yet received no setback, although it has yet to pass through some critical months. Cotton is in reality the only crop of which this country has a virtual monopoly. In the production of

wheat the United States has many rivals. Wheat is grown in almost all temperate countries, but in most of them the production of the country is used in the home market and there is nothing left for export. Among the countries that have a surplus for export, and thus enter into rivalry with the United States, are Russia, Austria-Hungary, Canada, the Argentine Republic, and sometimes India and Australia. The uncertainties of harvests are as much in evidence in all these countries as they are in the United States, and it is seldom that all or even the greater part of them have bounteous harvests in the same season. This year there seems to be some doubt as to the European wheat crop. Fears have been expressed that it will not equal the crop of last year. If this happens, contemporaneously with shortage in this country, the price of wheat and flour must continue high. It may, therefore, happen, even with something of a failure in the great wheat-producing sections of the country, that the actual price received may bring as much money as was received by the producers for a more bounteous harvest. This was what happened in the South last year, where the planters received more for their stinted crop of cotton than for the greater yields of previous years.

In the effect on the business of the whole country it is, however, questionable whether high prices received through abnormal crop conditions confer the same benefit as normal crops at fair prices. The high prices of cotton, for instance, while they benefited the producer, conduced to disastrous speculation, and they gave a severe setback to the cotton-spinning interests. The success last year with the cotton crop has brought great prosperity to the South, although it does not seem to extend its influence over the whole country as the agricultural prosperity of the West seems to do. The South is apparently more conservative in the handling of its acquired wealth, and is not so reckless in laying it out for the thousand and one purposes which tempt the possessor of new capital. The West has, as a rule, been reckless in the manner in which it has laid out its gains, and prosperity has come in gusts, succeeded by lulls, when only the grumbling of discontent could be heard. After a successful wheat crop the farmers of the West seem to want to buy the earth. In the South, whether it is because natural conditions of climate do not render necessary so many adventitious aids to comfort, or because of the temperamental difference in the people, there is not the same disposition to rush into expensive improvements as in the West. In the matter of machinery, for instance, the West will expend more for improved labor-saving machines, after a successful crop, than the South will expend under the same circumstances. One reason of this, of course, is the fact that in the South manual labor is more depended upon, and machinery is of less importance. What is used is

of a more solid type that does not wear out so quickly and is not so apt to become out of date on account of improvements. The Western farmer who, by his individual efforts, aided by his horses and machinery, can take care of immense wheat and corn acreage, wants the very best tools, so as to lessen, as far as possible, his personal toil. The Southern planter, who does not labor himself, but has the aid of cheap manual labor, uses a minimum of machinery, and in regard to that he has does not take a minute interest in its quality. The Western farmer, because he does a large share of the work, does not have to divide the returns with any one. The Southern planter has to look after many dependents who have aided him with their labor.

But there are deeper reasons why the South is more conservative in spending its money than the West. Probably it has been noticed that Southern business men are less expansive than those of the West, and inclined to drive closer bargains, to insist on minutiæ and detail more than those of the West. The West, like the South, has known hard times, but compared with what the business men of the South have come through since the depression which followed the Civil War, the Western men have lived continuously as near neighbors to the traditional horn of plenty. The profits of the Southern business man, whether merchant or planter, have never, as a rule, come in a lump; they have accumulated by slow degrees. Every dollar has had to be held with a firm grip. The dealings with a dependent race of laborers have been a constant object lesson of the value of small things in business. It is not likely that the Southern people will be as free spenders as the West, or that they will have their heads so easily turned by one or two successful seasons.

But while the prosperity of the South may be less immediately beneficial to the whole country than that of the West, in the long run the example of the South may do much to check the tendency to extravagant dissipation of wealth that has much to do with the rapid alternation of good and bad times characterizing the financial history of the country. The Western agriculturist, in his good fortune, has been exploited again and again, and is the richest spoil of the trading element. The careful closeness of the South is better than the careless extravagance of the West, not only for the people who follow the agricultural and business pursuits of those sections, but also for the traders and speculators of the North and East, who gladly assist in sharing and consuming the products of the agriculturists. The extravagance of traders and speculators is but the reflection of the recklessness that has deep root in the minds of the producing classes. Admiration of big results and contempt for little things are engrafted in the minds of all classes. The South seems to be saner in this respect than any other part of the country.

GREAT BRITAIN IS THE great creditor nation. It seems to be generally conceded that she has something like ten or twelve billions of dollars invested outside of her own immediate territory. France is the next in rank to Great Britain, and the amount of French capital invested outside of her own territory has been estimated by experts employed by the French Government at between five and six billions of dollars. In a lesser degree Holland and Belgium are creditor nations. The United States is still a debtor nation in that foreign capital invested here exceeds American capital invested outside of our own territory. But whether a nation is a creditor or debtor it is not in the same sense as an individual is debtor or creditor. One nation as a nation does not owe another in the same capacity. Nor does the fact of a nation being a creditor nation instead of a debtor nation necessarily add anything to its strength or resources in a purely national sense. France, a creditor nation, does not compare with the United States in the ability to raise revenue for national purposes, and the United States is as yet a debtor. The national debt of France is vastly greater in proportion to resources of the country than that of the United States. The Government of this country can borrow money on better terms than that of France.

The mere fact of a nation having large sums of money invested in enterprises outside of its own borders does not indicate that it is a richer nation than one that has nothing outside of its own boundaries. This country, for instance, has immense territories and great natural resources to develop. There is room within its boundaries for the use of all its own capital and for much more belonging to other nations. It is because there is no opportunity to use it at home, from the narrowness of their boundaries and the limitation of national resources, that France and England have so much invested abroad.

The mere fact where the money of its citizens is invested, whether at home or abroad, has little to do with the greatness or strength of a nation. In modern times the overflow of wealth and capital into all parts of the business world regardless of national boundaries is an evidence of how much the civilization of mankind generally has advanced. The wealth and capital of the world are thrown practically into a common fund, from which each and any may borrow if they accede to the terms and conditions of the loan. It is said that some of the Japanese loan was subscribed by Russian capitalists. The fact is that capital has no country, but goes wherever it can earn satisfactory wages, with due regard to security. Boundary lines are no doubt important marks by which to judge of the movement of capital in accordance with the demands of the trade and industry of the world.

Whatever advantage there may be in being independent of foreign capital and being able to lend some of our home capital abroad, will no doubt soon be enjoyed by this country. During the last five years the balance of trade has been greatly in favor of this country, and it is said that large amounts of foreign capital invested here have been paid off, until the amount of such capital now in the country has been very much reduced. It is probable that within a very few years the United States will take its place among creditor nations. But if it does not do so it will be because there are still within the country itself opportunities for the investment of all the capital that can be accumulated at more profitable rates than can be obtained by investments abroad. The rate of profit is what decides a capitalist whether he shall keep his capital at home or send it abroad. If the profits to be obtained in France or England were greater than could be had abroad, we should not hear of them as creditor nations.

It is a question, also, whether the influx of foreign capital does not benefit the country that uses it as much as the country furnishing it. The amounts paid for the working expenses and plants of enterprises, and the bonuses and fees paid to agents are for the benefit of the borrowing country. Very often the share of profits on the use of foreign capital which remains in the borrowing country is greater than the share which goes into the pockets of the foreign capitalist.

THE RATIO OF CAPITAL TO DEPOSITS in the banks of the United States has been diminishing for a number of years. We published last month some comment of the London "Bankers' Magazine" upon this tendency, and have at other times referred to the subject in these pages.

This tendency is much more noticeable when the statistics of the banking interests prior to 1850 are compared with those of the present day. In hardly any case, not even in those of the banks of the United States, did the deposits of the banks in existence prior to 1850 equal the amount of capital. But the success and security of a bank does not necessarily depend upon the proportion of capital put up by its stockholders. Many kinds of banks, Savings banks of certain classes especially, have no capital at all, and private banks are very often safely conducted simply on the money furnished by the public. Nevertheless, it is highly probable that the system of banking, under general laws, either State or National, prevailing in the United States, allowing of a large number of free and independent banks, necessitates the investment of a larger amount of capital than would be the case if the banking business were confined to a smaller number of larger institutions. To start these small banks requires in each case

some certain amount of money to be put up by the organizers, and while in each case the amount is small, yet the banks are so numerous that the aggregate is large. If all the smaller country banks are taken by themselves, it will be found that their capital bears a larger proportion to deposits than is the case with the banks in the larger monetary centres. It is in these centres that the small proportion of capital to deposits is most noticeable. The concentration of deposits in the monetary centres is due to the reserve law in part, and also to the natural laws governing the flow of deposits and funds to these centres. The proportionate increase of deposits is also more or less due to the necessity for creating a currency to supplement the restricted issue of bank currency proper. The National banks are the only ones in the United States which are permitted to issue bank notes. The bank notes issued by the banks are restricted by the amount of their capital, although this limit has seldom if ever been reached, and more practically by the supply of United States bonds and their price in the markets. The banks never have been able to issue bank notes to meet all their transactions. They therefore meet the deficiency by using their credit in another way. They encourage the use of checks by granting loans which are credited to the borrowers as deposits. It is this system of using bank credits which enlarges the proportion of deposits to capital. Every one knows that the clearing-house returns, showing the movement of checks, is a much better criterion of the business of the country than the small fluctuations in the aggregate amount of National bank notes. It will be found that when business is active and increases in volume, the proportion of deposits to capital will increase, and when business diminishes deposits will tend to diminish, except perhaps in some of the money centres where money flows as a last resort when its active use elsewhere diminishes. But it is easy enough to see that with the system of banking fostered by our institutions, with the competition for business which is a consequence of free and independent banking, that the constant struggle is for each bank to enhance its deposit line in any way possible. The larger the amount of money belonging to the public handled, the larger the rates of dividends to stockholders.

But the main interest is in the question whether the safety of our banks is lessened by the diminishing proportion of capital to deposits. It can hardly be believed that there is any diminution of safety on this account. The safety of depositors depends upon the management of the institutions with which they deal. The safety of the Savings banks of New York State, for instance, has never been deemed less because they have no capital. It may, perhaps, be urged that the larger the amount invested by stockholders, the

greater the jealousy and care with which they will watch and guard the management, but bad management has wrecked banks of the largest capital, and the interests of stockholders have suffered as well as those of depositors. Nor is the additional safety given by the stockholders' double liability of sufficient importance in the minds of those who deal with banks to induce them to select banks having the largest proportion of capital, in preference to other banks. The consideration of amount of capital seems to have very little weight in the minds of the ordinary depositor compared with the general reputation for good management, and the strength of the resources of a bank, whether derived from capital or deposits. The proportion of capital to deposits is sure to diminish as the credit of a bank rises with the public, from the general presumption of its good management shown by its statements. When the wealth of a country is small the proportion of capital to deposits is greater. The increase in the proportion of deposits to capital in the United States indicates the greater use of the banks by the public and the greater general wealth of those using the banks.

THE INTERNATIONAL GOLD MOVEMENT is always an interesting study. That the importation and exportation of the metal may be controlled to an extent, at least, by bankers, is generally admitted. An extreme instance of this was shown during the Administration of President CLEVELAND, when the gold reserve of the Treasury was restored and the gold standard maintained by the operations of the BELMONT-MORGAN Syndicate. The circumstances at this time were very adverse, and it was necessary to employ a new issue of Government bonds as the basis of the necessary credit. At that time the Government reserves were so depleted that it was feared that the Treasury might find it impossible to continue to pay gold for the legal-tender and Treasury notes which an alarmed public were presenting for redemption. The gold to replenish the Treasury reserve was procured by borrowing at that time, in a manner analogous to methods recently pursued in checking the outflow of gold consequent upon the Panama payment. When the negotiations for the purchase of the canal property from the French Company were complete it was evident that gold exports would be necessary. Although the stock of gold in the United States was very large—and it was not likely that the withdrawal of the forty or fifty millions required would be seriously felt—yet the accumulation of this stock during the last decade had been coincident with and in a measure due to the increased prosperity of the country. There was no doubt a general feeling that as the accumulation of gold was, to say the

least, an accompaniment of prosperity, the dimunition of this stock from any cause was likely to be taken as a sign that this prosperity was on the wane.

If the Panama payments had become due in 1901 or 1902, the effect on general business would have aroused fewer apprehensions. But, unfortunately, the recession of the tide of prosperity had set in, and there was less confidence in the future than had previously existed. The presidential year, too, may be distinctly regarded as a depressing circumstance. The lessening revenues of the Government were another, and there can be no question that the continual shipments of gold were looked upon by our leading financiers as likely to increase the general tendency to depression that was becoming more and more manifest. That action to stop the export of gold was taken, and that credits were obtained abroad by which foreign exchange was created, cannot be doubted. The circumstances were favorable. The rates in the money markets both here and abroad were such that our international bankers could see a profit in such transactions apart from the good effect which the stoppage of gold shipments might have. Of course, the profit realized depended on future conditions. If the crops of the coming season shall be good, if manufactures and commerce shall prosper, it will be easy to pay the debts created from the future favorable balance of trade.

It seems certain that to maintain the highest standard of industrial and agricultural production, upon which to base a favorable balance of trade, and to be able to meet the present engagements without loss, it is very important that there should be no difficulty in obtaining money in our home money markets, and that there should be no blight on enterprise from undue apprehensions as to the future. The whole structure of modern credit depends on public confidence in the sufficiency of our gold reserves. This belief that business equilibrium is jeoparded by the shrinkage of reserves may not have definite rules for its guidance. That is, there seems to be no hard and fast rule as to how much gold should be in the country in order to maintain undisturbed confidence in the currency and the banks. The general business public is affected only when the banks and financial institutions begin to feel the necessity of protecting themselves. The legal and published reserves are only very crude criterions of the banking attitude at any given time. To the bank managers they may or may not be the true guides of policy. A bank management may be influenced in extending or contracting accommodations by a host of reasons independent of considerations of reserve. Bankers and financiers watch business conditions as sailors watch the weather. They are guided among other things by the psychological condition of the minds of the general business public,

and knowing to some extent the influences which prevail to encourage confidence or to excite distrust, they endeavor to maintain the public mind in a favorable condition. Long before reserves are affected the skillful financier perceives influences which will tend to reduce or enlarge them.

Perhaps there is no one cause that produces such immediate effects on the general business public as the danger which is popularly ascribed to the exportation of gold. No matter whether the gold stock is superabundant, or how persistently financial authorities give assurances that no harm can ensue, the timid public, when they see that the balance of the gold traffic has turned against this country, recognize the force of sentiment, and dread lest with the outgo of gold there may ensue action leading to pressure on the banks themselves.

Perhaps there is no field in which the spirit of unreason is so apt to seize on the public mind as in that of finance. Each capitalist, large and small, is almost sure to take self-protective action on mere suspicion as quickly as upon assured fact. To be on the safe side, regardless of all else, is the desire of the possessor of moneyed capital, and this leads to decisive action long before there seems any reason for it to an observer who has nothing at stake.

Ordinarily, bank accounts afford the safest means to enable a capitalist to command money. Experience has proved that many who deal in ready money distrust the banks in times of stress, and seek to become their own custodians. No doubt in 1893, for instance, the use of safe deposit vaults by those who desired to have private command of actual money when rates became high, aggravated the stringency of the money markets.

Everything goes to show that bankers and financiers who deal in the money of capitalists, whether large or small, find it easier to obviate the causes which excite apprehensive locking up of capital than to attempt to argue that such causes ought not to produce apprehension. So it was the better policy to take steps to counteract the outflow of gold than to attempt to prove to the public that such outflow would have no evil consequence.

BOTH THE MINT LAW of 1873 and the act of March 14, 1900, declare the gold dollar the standard or unit of value, and there is no doubt that the gold standard is as legally established as it can be. The silver dollar, however, occupies practically a position in the monetary system of the United States that, to say the least, affords an opening through which the stability of the gold standard is in danger of being shaken. The law provides that the Secretary of the Treasury shall maintain the parity of the gold and silver dol-

lars, and it gives him ample means to do this. It nowhere directly provides that the Secretary shall redeem silver with gold dollars. In the case of any public distrust of the silver dollars, this would be the only effectual means of maintaining their parity with the gold dollar. The silver certificates and silver dollars, as a matter of fact, circulate at par, because the people have confidence that the Secretary of the Treasury, whatever might happen, would provide a way of maintaining parity. It hardly seems possible that any silver dollars would be presented for redemption as long as the gold reserve holds out to redeem legal-tender notes. Nevertheless, it is the unexpected that sometimes happens, and confidence is shaken by the most unexpected causes.

It is contended by some that the law should definitely provide that silver dollars be redeemable in gold, thus relieving the Secretary of the Treasury of any discretion. But it is difficult to conceive that the position of the gold standard would be any stronger than it is now. It might just as well be said that the Government puts the gold standard in as much possible jeopardy by keeping legal-tender notes outstanding as it does by leaving the silver dollars as they are. As the law now stands, with legal-tender notes, silver certificates and silver dollars protected by a gold reserve, and the redemption of silver dollars left to the discretion of the Secretary of the Treasury, the matter is no worse than it would be did the law specifically provide for the redemption of silver dollars in gold. The execution of the laws must be left to the executive. If a President should enter the White House who was hostile to the gold standard, and should place in the Treasury as Secretary a man also hostile to the gold standard, he could by forced construction of law and by affected fears of disaster to the Government or to business interests, cause great alarm and even overturn the gold standard.

No institution ever appeared to be more strongly entrenched, both in law and custom, than the Bank of the United States before JACKSON's attack upon it. But JACKSON, a popular President, overturned the bank in spite of the most strenuous opposition.

While there is little probability of the gold standard ever being the object of attack by any Administration, yet the fate of the Bank of the United States shows that no institution is safe if the majority of the voters will stand by a President who attacks it. If such a majority should back up a man who like BRYAN would seek to vindicate his personal financial views, safeguards of law could not be made so strong that they would be proof against an attack made under the forms of new legislation.

To strengthen the gold standard by further legislation is, therefore, unnecessary. The law as it stands is strong enough to resist

any ordinary contingency. If an extraordinary and apparently impossible revulsion in the opinions of the voters should take place, no further safeguards that could be thrown around the gold standard would be of any avail. If the country continues to enjoy ordinary prosperity, there can be no possible pretext for making any change in the present monetary laws or in the methods of executing them. Even if business reverses should be experienced, it is highly improbable that any attack on the gold standard will ever again be seriously made. The country has become so thoroughly convinced by experience since 1900 that the gold standard is not inconsistent with the greatest prosperity, that all sensible men would laugh at any one who should propose to abolish it as a remedy for hard times. The gold standard will most assuredly protect itself.

IN THESE DAYS OF STIRRING EVENTS, when at any moment some clash may arise among the nations which occupy a neutral position in the war between Japan and Russia, it is natural that the stock markets of the world should show sensitiveness of movement. But it is not always possible to trace some of the changes in the prices of stocks to the exact cause, and it has often been suspected and sometimes proved that diplomats who are supposed to have advance or inside knowledge of policies and events have imparted it to those connected with the speculations of the stock exchange.

The position of the neutral powers towards the combatants has in itself elements of potential hostility. Great Britain and China stand sympathetically with Japan. France and Germany are supposed to feel for Russia. The United States, if popular feeling is an indication, cannot, however sternly it seeks to maintain neutrality, prevent its sympathies from being with the Japanese. China seems to be less capable of enforcing the respect of the combatants for its position, but even its helplessness extends aid in the direction of its sympathies, and the United States and other nations may easily be aroused to interfere if either Russia or Japan shall try to avail itself of the comparative helplessness of China to humiliate her pride by infringement of her rights, territorial or otherwise. Neutrality of sympathy is impossible.

Another source of danger is the overstepping of maritime international rights by either combatant. It is easy to see how neutral nations may become embroiled, through unwise diplomatic action. The use of knowledge of political and diplomatic events in advance by those in whose hands the decision on the given line of conduct rests, for personal aggrandizement is in these days difficult to prove. The stigma which would attach to the official who is discovered in

employing his official power to affect stocks, drives into the deepest concealment those who are dishonorable enough to so use their power.

At one time, however, such use of power for personal benefit was considered as one of the perquisites of official life, and it may be questionable whether the outright speculations of officials, say of the period of Louis XIV and the Regent, did any greater harm than the veiled methods employed by modern corrupt official persons. No doubt in the past the critical decision which involved a nation in war has been made because of advantage to be gained in private business. Public opinion frowns upon such a motive for diplomatic or official conduct in the present age of enlightenment. Nevertheless, there is no doubt but that even now terrible pressure is often brought to bear by influential speculators on those who are likely to possess official secrets, so as to obtain information which may be turned to to account on the stock exchange. The speculation of the present day is so complicated a piece of machinery, involving not only national but international interests that, even if there be a corrupt motive in the giving of tips by officials there can be no certain way of tracing or proving guilt. To the great mass of speculators the whole thing of seeking to take advantage of political events is a matter of guesswork, as much as the attempt to benefit by the ordinary rumors of the market in more peaceful times. Very often, no doubt, official persons give information unconsciously by their mien and action, by words carelessly dropped. It is, in fact, with the greatest precaution and care that official secrets of importance can be perfectly kept. It is the knowledge of this fact that enables the corruptly inclined officer to carry out his purposes, and yet so cover up his methods that detection can only occur by accident.

In these times of strained diplomatic relations when there are so many chances of national interests being suddenly affected, many of the fluctuations of the market cannot be accounted for except by taking occult influences of this kind into consideration. Perhaps these influences have as yet less effect in the United States than in European markets, not because our speculators and perhaps officials are less inclined to avail themselves of corrupt methods, but because the position of the United States makes the effect of political events growing out of the war between Japan and Russia less powerful on securities here. Even if this country should be forced to make a demonstration of force, it is probable that this would have much less effect on United States bonds, than a similar involvement of Great Britain or France would have on their securities.

The diplomatic bodies of the different Governments are at the present time so closely in communication that there are some secrets

which may become common to all, and when leaks occur it becomes for this reason impossible to determines their origin. But while the influence of officials tips on the stock market may be deplored, its power for evil is, no doubt, much exaggerated. Only real events have any permanent effect on the genuine prosperity of nations. The knowledge of them in advance may benefit or injure a few, but is of little consequence compared with the result when this knowledge becomes common property.

THE RESERVES OF THE NEW YORK CITY BANKS continue to increase, and in all probability the reaction will not set in for some time. Owing to the general lateness of the season the crops will not be ready to move as early as usual. There have been high surplus reserves succeeding financial crises before. After 1873 the accumulation of reserve was noticeable for some years. The revival from that panic was very slow, and it was only in 1879, nearly six years later, upon the resumption of specie payments, that the signs of renewed confidence began to manifest themselves strongly.

In May, 1884, occurred the GRANT & WARD failure, followed by the closing of the Marine National Bank of New York city, the suspension of the Metropolitan National. The country banks all began to call for their deposits, and to prevent worse consequences the New York Associated banks issued clearing house loan certificates. The panic of 1884 was a good deal like the recent one of 1903, the effects did not last long, and a recovery began in 1896. In 1885, however, there was a noticeable excess of reserve. In 1893 the next serious panic took place, for which various causes have been ascribed, but probably the chief cause was want of confidence in the financial position of the currency, brought about by the constant injection of new amounts of Treasury notes under the silver purchase law of 1890 into the circulation. The effects of this panic lasted long, and through all the years between 1893 and 1899 the surplus reserves of the New York banks were abnormally high, falling off somewhat in the fall, but increasing during the summer. From 1898 to 1903 the reserves were very little above the legal limit, as a rule, until the present year following the set-back of 1903.

There have thus, within the last thirty years, been two financial crises (1873–1893), from which the recovery in each case took about six years, and two crises, those of 1884 and 1903. The recovery from the crisis of 1884 took about two years. From certain similarities between that crisis and the recent one of 1903 it may be hopefully inferred that the recovery from the latter will be similarly speedy.

Inasmuch as a period of twenty years elapsed between the great

panic of 1873 and that of 1893, it may, perhaps, be inferred with an equally hopeful spirit that there will not be another great collapse before 1913. The ten-year interval between crises, insisted upon by some crisis theorists, appears to have been very well sustained. The great panic of 1873 was followed by the lesser affair of 1884, and in like manner the serious crisis of 1893 has been followed by the milder setback of 1903. It is to be hoped, however, that since the disturbing factor of the currency no longer exists as it did in 1873 and 1893, that future crises will be shorn of some of their worst terrors, and that the time necessary for recovery from their effects will be shortened. That the business world as an entirety will ever learn the moderation and self-control necessary to avoid altogether the recurrence of financial crises is not to be expected. Human nature will probably always be the same and circumstances will, no doubt, ever shape themselves to encourage at times over-trading and the abuse of credit. But while there will undoubtedly always be financial crises occurring after the over confidence engendered by success, has run its course, yet these crises will be rendered less and less disastrous to the entire community. Recovery will be more easily arrived at. Excess of surplus reserves at the money centers usually indicates a cessation of business activity throughout the country. The funds which are not required locally are sent to the great centers of speculation and enterprise, where alone there is at such times any chance of their profitable use. It was formerly believed that the irredeemability of paper currency caused its accumulation in dull times, but the same phenomenon exhibits itself with a gold curreny, and would probably be equally in evidence were there nothing but gold coin in circulation. Nevertheless, the fact that the money is known to be solid conduces greatly to quick recovery from crises.

THE MOVEMENT OF GOLD into and out of the United States during the fiscal year ending July 1 was greater than in any previous year. The imports of gold have exceeded the exports, and this notwithstanding the extraordinary remittance of $40,000,000 to France, a transaction entirely out of the ordinary course of exchanges between nations, and perhaps unique in financial history since the days when Mexico and South America used annually to pour their treasures of precious metals into the coffers of Spain. To make up for the gold exported supplies were received from Japan, from Mexico, from Australia, from our own mines, including the Klondike. Also gold was drawn from London in November and December to pay for cotton exported. It is evident that since the silver question has been settled the United States will become gradually the great gold

centre of the world. Since the enactment of the law of 1900 the stock of gold in the country has been continually increasing and will continue from all appearances to increase. One reason of this is probably that the United States, of all the countries in the world, is perhaps the only one that neither by governmental or banking restrictions imposes any check on the free movement of gold in or out of its borders. The policy of protecting home industries does not extend to gold, and has never done so. In this precious metal the laws and customs of the country permit absolutely free trade. In France, the Bank of France, burdened with an immense note circulation, carefully conserves its stock of gold and imposes virtually a premium when there seems to be a tendency to unduly reduce its stock by export. In Great Britain the Bank of England exercises a similar power of restriction by the changing of the rate of discount. In the United States the only restriction on the free movement of the metal consists in those national laws of business under which the rates for money changes with the demands of the markets. This freedom from restriction makes it easier for those nations who wish for gold to draw from the United States than from any other market. It is cheaper here than anywhere else. On the other hand, gold seeking a market naturally flows here. Even those nations which seek to strengthen their gold reserves by artificial restrictions, when it becomes necessary to part with some of their gold, had rather have it go to the United States than into the strong box of the nations who disgorge with difficulty. Gold in the United States is available when a new supply is needed. If it had not been for the $40,000,000 export to France, the addition to the gold stock in the United States would have been much greater than it was in 1896, when the Government issued bonds to replenish the gold reserve.

The fiscal year extending from July 1, 1903, to July 1, 1904, was not a particular prosperous period, the panic of May, 1903, had just occurred, and there was great uncertainty as to the crops. The cotton crop at high prices helped out, but even without the gold brought in by cotton exports, the gold coming into the country was an unusual record. It is most probable that the supply of gold will continue to increase, and that the record of the next fiscal year, with no extraordinary drain like that made by the payment for the Panama Canal, will exceed that of the past year.

THE BANK OF PITTSBURGH

NATIONAL ASSOCIATION.

OLDEST BANK WEST OF THE ALLEGHENY MOUNTAINS.

THE banking history of this country has practically all been made since the Bank of Pittsburgh was organized in 1810. The nation was very young at the beginning of the last century. Industry and commerce were still in the cradle. The need for sound financial institutions to handle the money of the country was just beginning to be appreciated in a small way. The possibilities of banking development were not even dreamed of.

Pittsburgh in 1810 was a little village, clustered about the old blockhouse at the point. It had less than 5,000 inhabitants; yet, even in those early days, was recognized as the coming industrial center of the West. A glass factory, an iron furnace, and one or two manufacturing plants had been located here, and it had already, as is shown by publications of that date, been called "The Birmingham of America." Things were not gauged by the same standard in those days as they are to-day. Pittsburgh was small, measured by present standards, but it was then, as now, the second city of the State, and contained a greater number of useful manufactories, in proportion to its population, than any other town in the country. It had already achieved the industrial supremacy that has marked its progress ever since. While the Bank of Pittsburgh is the first banking institution ever organized in this city, it cannot claim the distinction of being the first to do business here. A branch of the Bank of Pennsylvania, of Philadelphia, was established here in 1803, and did quite an extensive business until 1818, when the parent institution went out of existence.

JUDGE WILLIAM WILKINS,
First President Bank of Pittsburgh.

But a mere branch of an institution located away in the other end of the State, could not long meet the needs of the growing town, and in 1810 some of the city's most substantial business men organized the bank that has ever since been one of the financial bulwarks of this end of the State. There have been financial storms since then, times of depression and disaster, when

THE BANK OF PITTSBURGH, 1831 TO 1895.

almost every other bank in the country suspended specie payments, and when hundreds of the weaker institutions were wiped out of existence altogether—yet through it all the Bank of Pittsburgh has never closed its doors on a depositor, or failed to meet every legitimate demand with ready coin.

The bank did not have altogether smooth sailing during the first few years of its existence, however. Its organization had scarcely been perfected when an act of the Legislature made the establishment of new banks a practical impossibility, and it was forced to change its name to the Pittsburgh Manufacturing Company, and limit its operations somewhat, in order to come within the bounds of the law. Four years later a new banking law passed the Legislature, a charter was granted, and the Pittsburgh Manufacturing Company became again the Bank of Pittsburgh, with Judge William Wilkins as its first President.

The bank at once took a prominent place in the affairs of the community. Its officers believed in Pittsburgh. They had faith in the future of the industries that were, even then, making a name for the little city, and they bent every energy to the strengthening and developing of these industries.

Comparatively little was known of banking as a business at that time. There was only about ten million dollars of actual money in the country, and the possibilities of credit were just beginning to be realized. Its limitations were not understood. The very power of the bank in the community made abuses liable, and it was only the sturdy common sense of the men at the head of the Bank of Pittsburgh that enabled them to avoid the rocks on which many of the early institutions were wrecked.

Stirring times came in the financial world in 1816 and 1818. Specie payments were suspended in the East—a number of banks closed their doors—financial distress was general, and the cause of it was pithily described by a Philadelphia newspaper of that time, as follows:

"Why is the community so much embarrassed?

Because banks lend money they have not to lend,
And people spend money they have not to spend.

BANK OF PITTSBURGH, PRESENT BUILDING, ERECTED 1895.

REMEDY.

Own the money before you lend it,
Earn the money before you spend it."

The Bank of Pittsburgh was built upon substantial business principles, however, and these early business storms did not cause it any serious trouble.

The first banking-house was on Third avenue and Ferry street. Just after the charter had been obtained a lot on the corner of Wood street and Sixth avenue was purchased for $3,000, and plans were made for the erection of a new banking-house. The committee in charge of the matter finally decided that the location was too far away from the business center of the town, however, and the building was not erected.

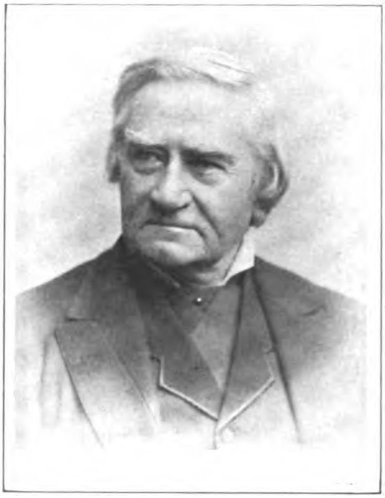
In 1831 the present location on Fourth avenue was purchased, and a building that for that early day was exceptionally large and substantial was erected. It was of brick and cement, with iron shutters, and was supposed to be fireproof until the great fire of 1845 proved the contrary.

In 1837 came probably the greatest financial panic the country has ever known—one hundred and sixty-eight firms in New York city failed in less than six weeks—a great many Pittsburgh houses closed their doors—banks all over the country suspended specie payment. In common with all other banks of the city the Bank of Pittsburgh was prevailed upon to sign the formal resolution suspending the payment of specie. It reserved the right to continue to meet its obligations in gold, however, if it should so desire, and the minutes of the directors' meetings show that in all that trying time

it never did actually suspend specie payment, but met, with gold, all reasonable demands that were made upon it.

Then came the great fire of 1845, sweeping the business section of the city from end to end, and leaving desolation and ruin in its track. A history of the conflagration tells of the interest that was manifested in the progress of the flames when they came to the Bank of Pittsburgh building. It was supposed to be fireproof, and under ordinary conditions it probably would have been, but the great mass of seething fire melted the fastenings of the iron shutters and the interior was soon in ruins. The walls remained standing, however, and the contents of the vault were unharmed.

The new building that took the place of the one destroyed by fire was more substantial and elaborate than its predecessor, and was for many years the finest banking-house in the city. It was not until 1896 that another change in the bank's home became necessary, and then the present handsome structure was erected to take the place of the one that had for more than half a century been one of the landmarks of the city.



JOHN HARPER.

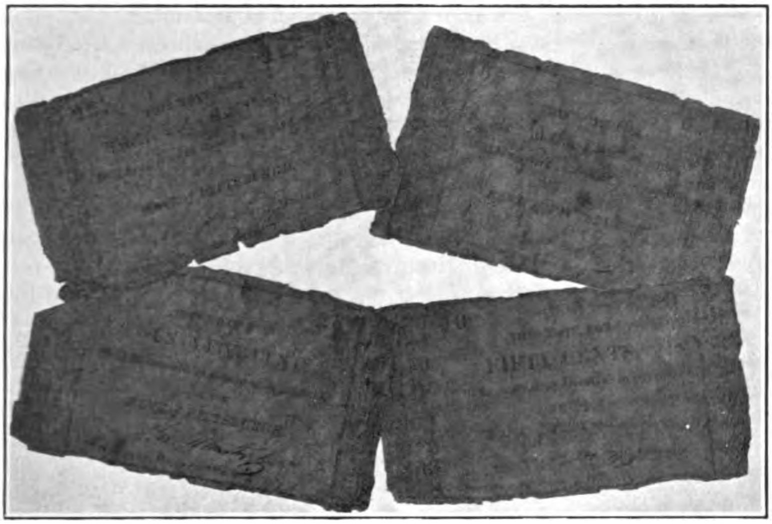
For fifty-nine years actively connected with the Bank of Pittsburgh as clerk, teller, Cashier and President.

Strong features of the bank's management have always been public-spiritedness and patriotism. At the time of its organization it donated $45,000 to the State for public improvements. After the great fire of 1845 it contributed generous sums to the fire companies whose services had been so valuable in fighting the flames, and to relief committees appointed to relieve those in distress. During the Civil War it loaned large sums of money to the city, the State and the National Government, and contributed liberally to the equipment of troops and the relief of families of soldiers.

In 1865 the Clearing-House Association was organized, with the Bank of Pittsburgh as one of its original members, and the large room on the second floor of the bank building was set apart for the meetings of the association. This room is still used every day for the meetings of the clearing-house, and it is interesting to note that in only five other places in the United States is more money exchanged in the making of the daily balances. Pittsburgh has for years stood sixth in the list of clearing-house cities.

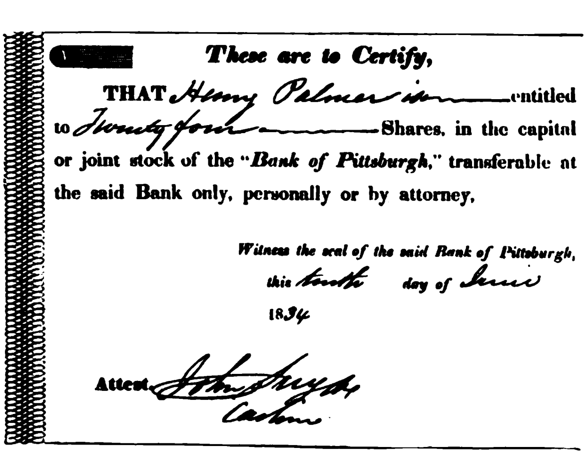
A striking feature of the bank's history has been the strong character of its officers, and the long terms of service of many of those who have been connected with it. In its ninety-four years of existence it has had but seven Presidents and five Cashiers. Several of those who have been in its employ have served it for half a century or more.

Judge William Wilkins, the first President, was one of the foremost citizens of Western Pennsylvania, and afterwards became an important factor in the affairs of the nation. He resigned the presidency upon his election



OLD CURRENCY, DATED 1813, AND SIGNED BY ALEXANDER JOHNSTON, FIRST CASHIER OF THE BANK OF PITTSBURGH, AND GRANDFATHER OF ALEXANDER JOHNSTON CASSATT, PRESIDENT PENNSYLVANIA RAILROAD.

to the State Senate, and in 1829 John McDonald succeeded him. Mr. McDonald died in 1831, and William H. Denny was chosen President. John Graham succeeded Mr. Denny in 1835, and served as President until 1866, when John Harper, one of the stalwart men of the bank's history, was elected as its executive officer. Mr. Harper became connected with the bank as a clerk in 1832, and remained with it until the time of his death in 1891, fifty-nine years of continuous service. Reuben Miller succeeded Mr. Harper as President, and filled that office until 1899, when he resigned and James J. Donnell was elected. Upon the consolidation of the bank with the Merchants



[redacted] *These are to Certify,*

THAT Henry Palmer is entitled to Twenty four Shares, in the capital or joint stock of the "*Bank of Pittsburgh*," transferable at the said Bank only, personally or by attorney,

Witness the seal of the said Bank of Pittsburgh,
this tenth *day of* June
18 34

Attest.
Cashier

FACSIMILE OF ONE OF THE OLD BANK OF PITTSBURGH CERTIFICATES.

and Manufacturers' and the Iron City National in December, 1903, Wilson A. Shaw, the present executive officer, was chosen to succeed Mr. Donnell. Of the Cashiers, William Roseburg was the one whose term of office extended over the longest period. Mr. Roseburg joined the forces of the bank as a clerk in 1848. He was made Teller in 1856 and became Cashier in 1866, retaining that office until 1897, when he was chosen Vice-President and William F. Bickel succeeded him as Cashier.

The recent consolidation of the Bank of Pittsburgh with two others of the city's strongest financial institutions has placed it among the leading banking-houses of the State. With its experience of almost a century, its resources of over $20,000,000, and its strong, conservative board of officers, it

WILSON A. SHAW,
President.

JOSEPH R. PAULL,
Vice-President.

to-day, as in the past, stands for all that is soundest and best in banking practice.

Following are the present directors of the bank: Wilson A. Shaw, President; Joseph R. Paull, First Vice-President; James J. Donnell, William Roseburg, John Caldwell, Dallas C. Byers, Vice-Presidents; H. M. Brackenridge, J. Stuart Brown, Frederick Davidson, I. W. Frank, John E. Hurford, C. F. Holdship, John B. Jackson, T. Clifton Jenkins, George A. Kelly, Jr., Thomas H. Lane, Albert J. Logan, C. M. Logue, Reuben Miller, Wilson Miller, W. H. Seif, W. S. Shallenberger, W. C. Temple, Daniel H. Wallace, D. Leet Wilson, Jos. R. Woodwell.

BANK ADVERTISING.—It is significant of the growing importance with which advertising is being regarded by banks, that a publication should be issued devoted especially to this line of publicity. "Bank Advertising" is the title of a new monthly, published at Toronto, by W. Arthur Lydiatt, and the first number contains many valuable practical suggestions relating to the proper advertising of banks, trust companies, etc.

BUSINESS AND THE PRESIDENTIAL CAMPAIGN.

Those who advocate the theory that the excitement and uncertainty attending the presidential election have an ill effect upon business, may find some confirmation of their belief in the present conditions of business. The tide of prosperity, which reached its culmination in 1901, is now apparently receding; at least there seems in all business circles a disposition to wait and take stock before resuming aggressive activity.

Notwithstanding that the course of events seems to point to some depressing influence emanating from the presidential election, and although it is possible to point out in the past history of the country similar periods of dull business, coincident with the quadrennial political struggle, yet it is difficult to see any necessary connection between the two. When dull times exist the public are prone to cast about for reasons, and the most obvious one the present year is the contest between the two political parties. It can, of course, be readily believed that the policy of a government may have a great effect upon the business interests of its citizens, and there are numberless instances where bad government restricts enterprise. With free constitutional institutions the influence on business of government, either good or bad, is supposed to be reduced to a minimum. The strongest arguments of contending parties are, however, based upon an appeal to the pockets of the voters. Each party strives to show that its particular policy, if put in operation, will best promote business interests. To those who believe this, it follows that in the presidential election is decided for good or evil the fate of the next four years.

Every one may understand that good crops are not dependent upon politics, that presidential policies will not control the quality of the seasons, and yet it is very hard for most minds to get rid of the notion that there is a subtle connection between the success of their party and business prosperity. A Republican may admit that President McKinley had nothing to do with the great wheat crop of 1900, but he will not admit so easily, if Mr. Bryan had been in McKinley's place, that the country would have disposed of the crop to as great advantage. The gifts of nature may be uncontrolled by politics, but whether they are properly taken advantage of seems in some subtle way to depend upon the confidence of citizens in their government.

It is easier to admit the connection between the financial policy of a government and the prosperity of business than to admit, for instance, that the policy of an Administration in regard to the tariff or the government of the Filipinos, or towards foreign nations generally, has any direct effect on home industry. It is also well known that there may be great prosperity under forms of government very different from our own, and that under the same government business may fluctuate from one extreme to another.

Although it may be impossible to trace any real connection between presidential years and dull periods of business, there have been frequent coincidences of this character, and whether owing to this or not there has

arisen a superstition or tradition that the coming of the year of the election of the chief magistrate is a signal for a sort of rest from the ardor of speculative enterprise. This tradition or sentiment seems to have its root in the same trait of human character which sets aside certain days as high days and holidays. The year of the presidential election seems to have become, by a sort of common consent, a sabbatical year, in which rest from arduous pursuits is easily regarded as right and proper. If the Federal Convention had fixed the term of the President at six years, as was proposed, the same phenomena indicative of business dullness, due to the diversion of the minds of the public to political questions, would doubtless have occurred once in six years instead of once in four.

The main fluctuations of business are due to other than political reasons. Good and bad crops, successful manufactures and commerce and the progress and retrogression of all kinds of enterprise, go on regardless of the policies of legislatures. Business adapts itself to the conditions in which it finds itself. Populations have grown wealthy under vicious governmental policies. The Government of the United States is, no doubt, far from perfect, but it may be questioned whether it could be made any more conducive of the welfare of the whole people than it now is. The change in business caused by a change of the presidency from one party to another, by the triumph of the Republicans over the Democrats or of the Democrats over the Republicans, would be so slight as to be unnoticeable. The great mass of business men would be entirely unaffected by it. This is certainly true in a campaign like the present, although it would not have been so in 1896, or even in 1900, when Mr. Bryan's radical views controlled the Democracy.

Nevertheless, other things being equal, during a period of four years, crops being the same, general conditions of business the same, it is believed that in the fourth year when the presidential election was held, there would probably be a noticeable lull, a pause while the great question of who is to to be leader is settled. Unfavorable conditions of business would intensify while the favorable conditions would render the effect of the election less noticeable.

The conditions of the present year are the results of the over-speculation of the years 1901 and 1902, and of the partial crop failure of 1903, intensified by the coming election of a President.

The causes of a falling off of business once in four years, coincident with a presidential contest, are deeper than appear on the surface. The dullness cannot be ascribed solely to the election itself, nor can it be denied that the event of the year to some extent affects the general tone of enterprise. There are certain leaders who make the pace and who force others to follow them. The presidential election distracts the minds of all, more or less, from the sole pursuit of business, renders competition less strenuous, and reduces perceptibly the average speed of business machinery. There is probably no country in the world where the operations of the government interfere so little with the ordinary pursuits of life, and where the general policy of the Federal Administration in time of peace affects so little the occupations of the citizens. In many respects, it might be better if the Government exercised a greater control than it does. The great struggle of parties in the United States seems to be to get the Government to do more rather than to do less in the way of controlling some of the developments of modern business. In fact, it is the lax attitude of the Government which has encouraged the growth of organization, both on the side of capital and labor. These organizations and their control are now the main objects of party contention.

LESSONS OF THE MEAT-PACKERS' STRIKE.

The public have had a wide experience with strikes, and by this time have learned that there are various degrees of inconvenience to be endured on their account. Strikes affecting fuel and provisions come home more quickly to the hearts and feelings of the multitude than most other kinds of strikes. Affect what men eat and drink, or what shelters and clothes them, and they respond at once. Luckily, the great food staples are not easily affected by strikes, in this country. There is such a wide distribution of the production of most of the articles of food that almost every place has in its local supply a guarantee against immediate starvation. The exception to this is that towns and cities may find their supplies cut off to a greater or less extent by strikes affecting transportation. It is doubtful, however, if transportation could be stopped by any strike to an extent that would reduce the population of cities to distress. A strike powerful enough to do this would amount to war.

It is only in modern times that the very means taken by mankind in their social economy to prevent famines and dearths, either of food or other necessaries, have shown that they contain within themselves the means of producing, under some circumstances, what they are intended to prevent.

The business of furnishing meat was formerly a local one in very great measure. The business of raising cattle, sheep and hogs was carried on, more or less, in all farming communities, and the slaughtering and packing of meat was done in local slaughter-houses. The animals were brought to the cities alive and purchased and prepared for sale by the local butchers. Undoubtedly under this system there was considerable waste; many parts were not utilized, but under it it was very unlikely that a meat famine could occur. The growth of the great butchering and packing firms was caused by the growth of the country. As the business of raising stock spread through and beyond the Mississippi Valley into the great plains of the far West, the distances from the points where the cattle were raised to the markets where their flesh was consumed became so great that local slaughter-houses could not meet the conditions. At points like Chicago, Kansas City, Omaha, and St. Paul, conveniently situated between the great plains where the cattle were cheaply raised and the markets where the multitudes of people were waiting to consume their flesh, grew up great slaughtering and packing plants, where the meat was prepared both for present and future consumption. These plants developed improved ways of taking care of all kinds of products resulting from the slaughter of the cattle. As a result they introduced economies which enabled them to make more out of the business, and undoubtedly enabled them to drive the old-fashioned slaughter-houses out of business. At the same time the cheapness with which cattle could be raised on the free land of the plains reduced to the lowest point, if it did not stop altogether, the raising of beef cattle by the farming communities east of the Mississippi. Even if the old slaughter-houses could have competed in their methods with the new plants, they no longer could procure

the animals from convenient distances. The great butchering plants utilized the great resources of the plains in cattle-raising and brought these resources to the consumer in the most wonderful manner. The consequence was that in time the whole country gave up local resources and became dependent upon the great meat-packing plants.

Now conditions as to the raising of cattle have changed. The great plains are no longer the free range of the cattle kings. The conditions under which cattle are raised there have become more like those prevalent in other agricultural sections of the country. There is a reversion to the raising of cattle in smaller numbers by the holders of farms of ordinary size, and the probability is that the result will be that more and better cattle will be raised in the aggregate throughout the whole country than were raised by the cattle kings when they had almost a monopoly of the business.

But while the monopoly of raising cattle will undoubtedly in the end be broken by the growth of the country and the subdivision of land into smaller parcels, it does not follow that the methods of the great meat-packing plants will naturally find a period put to their usefulness. It is reasonable that in such a country as the United States there should be great central points for the gathering together and preparing animal products for market. This business can be done more economically in this way than in any other, and as a consequence the public should be more conveniently and cheaply served by methods where all waste is avoided.

The evil of which the public complain, arising from monopoly of the meat business, is not necessarily inherent in the system itself, but in the spirit of greed for extraordinary profits with which the system may at times be managed. Another evil is the one demonstrated by the strike of the labor employed. The utter dependence of the public for an essential article of food upon a few packing plants is certainly a grievance which is made evident by the strike. While it may be admitted that the meat product of the country is more economically availed of and fills more mouths more cheaply when handled carefully and scientifically on a large scale than it could be by the old local slaughter-house system, yet the evil possibility shown by the strike, whether the employers or employees are to blame, is almost sufficient to outweigh the advantages of the system. Under this system the local butchers in the cities and towns and country places are all alike dependent upon the central packing plants for the supply of meat to distribute to their customers. When this stops they are helpless.

The system, when it is working, is so complete and so convenient that people, as a rule, are well satisfied. In view of the inconvenience caused by the stoppage, the inquiry arises, what can be done to take the place of these self-constituted purveyors of the meat of a nation?

With the revival of the local raising of cattle, it is evident that local butchers, if they choose to do so, can commence killing their own supplies. That they can do it as cheaply as the packing plants is impossible, at least at first, and there is hardly any likelihood that there will be any movement in this direction unless the effects of the strike are felt too long or too severely. If such a movement for local preparation of meat products should start on an extensive scale, the packing interests would make haste to settle their differences with their labor, and would at once seek to stop this local movement.

But it is undoubtedly true that with the revival of the local raising of cattle, which is hardly yet as fully developed as it will eventually be, there were, even before the strike, symptoms of a general revival of local butchering. It must be remembered that to be successful local slaughter-houses will have to be conducted with the same care and skill that are used in the large packing-houses, and the experience of the latter must be made use of; but to imitate the advanced methods of these large establishments, or even to improve upon them on the somewhat smaller scale suited to a local slaughter-house, requires a skill and capital which has confined the movement to the larger cities. The larger cities might easily emancipate themselves from the evils of monopoly break-down by establishing public abattoirs where butchers can have their animals prepared for market. The country places will find it more difficult to emancipate themselves and will probably be the last customers to free themselves from dependence upon the meat trust. It is, however, highly probable, whether local butchering prove successful or not, that with the raising of animals for food distributed throughout the farms of the whole country, the present centres of the meat industry will change or at least new centres will spring up, making the country no longer dependent upon one set of meat-packers.

But assuming that there is no redress to be looked for through the operation of natural law, if it shall be the policy of the nation to maintain the *quasi* monopoly of meat producing as it now exists, because of the economy and other advantages of the system, then it does seem no more than right that the Government should assume a legal oversight which will prevent the evils of overcharging the public or squeezing the cattle-raisers or starving the public through strikes. The Government places peculiar restrictions on the banking business on the plea that the public needs more protection from bankers than from ordinary business men. It seems still more reasonable that the Government should make special laws for those virtual monopolies on which the public comes to depend for meat and fuel.

MR. MORGAN'S $10,000,000 OPERATION.—The Philadelphia News Bureau says: "The growth of banks and bankers and the position of New York in the money markets of the world has been a theme which has occupied the attention of the students and writers on money for some years. It has been pointed out that the United States is a country in which record financial transactions are frequently made, and it has even been claimed that the money center of the world has been transferred to New York. The unheralded operation of Messrs. J. P. Morgan & Co. in New York & New England bonds confirms the view of the capacity, courage and promptness of our leading bankers. This house has bought outright $10,000,000 railroad bonds, paying a handsome premium for them, and closing the transaction in a moment, solely for itself, with its own money. No such transaction ever before took place. In the richest capitals of Europe, a syndicate of bankers would be formed to raise such a sum, and money market preparations would go on for a month. Mr. Morgan buys $10,000,000 for his firm and entirely on its account, just as he closed a deal for $23,000,000 Jersey Central stock for the Reading Company some years ago; but his latest feat as a banker surpasses the operation for the corporation, and puts J. P. Morgan & Co. in a unique position among all the bankers of the world."

THE CHAOS OF CURRENCIES—IS IT CURABLE?

After long years of currency reform the world is still overloaded with currency. Worse, still, are the endless and bewildering varieties of it. Had it been confined to its original and proper use as a medium for the exchange of commodities its tendency would always have been toward excessive supply. In recent times that dangerous tendency has been greatly aggravated by the new uses to which currency has been applied. Duties unthought of formerly have been imposed upon it. Movements which should have had the effect of economizing it have led to new creations of it on an immense scale.

It seems a paradox that the development of modern banking should quite as often have increased as diminished the demand for currency. That, nevertheless, is a fact which may be observed not alone in the banking systems of third or fourth-rate countries, but in the most advanced. In fact, the most striking examples of it are to be seen in England and the United States. Both the English and the American banking systems exhibit notable departures from the natural functions of currency. Two-thirds of the notes created by the Issue Department of the Bank of England not being required for *bona fide* circulation, are diverted to a secondary use and form the chief bank reserve of the United Kingdom. A still farther extension of the primary function of currency has been made by the Americans. A very large percentage of their greenbacks, gold and silver certificates and National bank notes finds special employment, not merely as bank reserves, but as guarantee funds for deposits.

Though England and the United States may offer the most prominent examples of artificial enlargement of the sphere of currency, few commercial nations are entirely free from this tendency so characteristic of modern banking. In almost every country the secondary functions of money overshadow the primary functions. Simple uses are everywhere being overlaid by complex ones. The first step, therefore, toward reducing the chaos of currencies would be for each nation to ascertain to what extent its own currency has departed from the *bona fide* function of circulation. The surveyor of mankind from China to Peru will find not only endless varieties of money, but almost as many varieties of employment for it. There is thus a double source of currency complications. Not only are there many more kinds of money in use than are really needed, but in order to utilize them new duties have had to be invented for them.

We might have thought that currency was one of the best possible subjects for scientific evolution, but actual experience has given us quite another result. Nothing in the whole range of economics exhibits a greater amount of fo tuitous and haphazard development. Instead of passing in regular order from lower to higher organizations, in accordance with the first principles of Herbert Spencer, it indulges in spasmodic complications. Instead of one stage of development superseding another, the old and the new survive side by side. To this day archaic forms of currency continue to share the

monetary work of the world with the latest and most complex. In tracing the growth of these complications several stages are so far distinguishable as to admit of rough classification like the following:

First stage, in which currency is confined to its original function as a means of exchange, (*a*) domestic, (*b*) foreign.

Second stage, in which it becomes a means of storing exchange for future use. This leads to capital and to the many forms of portable property embraced in the term, personal wealth.

Third stage—political—in which currency acquires a Government stamp and guarantee. At the same time this opens a door to political abuses, both numerous and varied—tampering with the legal standard, excessive issues of paper, forced currency, and arbitrary rating of one class of currency to another.

Fourth stage—the banking era, in which the primary functions of currency get mixed up and confused with banking operations.

The first three stages we may pass over without detailed comment. With the exception of foreign exchange, they include nothing which has not been discussed over and over again *ad infinitum*. Many of the debatable points involved have either been practically settled or brought within sight of early settlement. But the relations between currency and banking are of comparatively modern growth; they have received as yet very fragmentary and superficial discussion. Instead of being on the high road toward a final solution, they are ever branching off into new and more difficult issues.

There is no essential or indispenable connection between currency and banking. A comparatively efficient currency can be imagined without any banking system behind it, and a large amount of profitable banking is done without the help of note issues. Nevertheless, in commercial life currency and banking are, as a rule, closely associated. Though there may be no essential connection between them, they are necessary to each other. Hence, they are generally found in co-operation. Note issues on a large scale can only be made through trading banks, and can only be kept out with the constant help of banks. *Per contra*, note issues are an important part of the mechanism of banking business. Thus, banking and currency operations act and react on each other. Of the two, banking operations are by far the larger, consequently they must be the dominant partner. Currency in and by itself is no longer a chief cause of anxiety; in all highly-developed states it is subordinate to safe banking. A majority of the modifications it has undergone in the past half century have been intended to adapt it less to the needs of circulation than to the changing conditions of banking.

A further result of the close connection that has arisen between modern currency and modern banking is that bankers take a special interest in currency. Without consciously intending to do so, they have constituted themselves its special guardians. When there is any question of currency reform started, they take it under their personal protection. They are recognized as the expert authorities to be first consulted as to any proposed change. While it is well that there should be a substantial body of expert opinion to fall back on in such cases, the advantage is not without drawbacks. The reaction of banking on currency becomes very pronounced, especially in the United States, where both have grown to formidable proportions.

It hardly requires to be said that the development of currency has taken

a very different direction to what it might have done if it had been less closely associated with banking. Not only have types of currency come into existence simply because they were needed for banking purposes, but the development of other types, useful in themselves, has been retarded by the lack of banking support, not to speak of banking opposition. So powerful has this particular factor become that we may now be said to have two different classes of currency—one for ordinary circulation, and the other for the service of the banks, national and international. In some countries, it might be added, we have a second offshoot to deal with—political currency.

An International Currency.

Of banking and political currencies people may easily have too much. In contrast with them there is a kind of which we have too little—international. Had currency followed a scientific course of evolution, the world might ere now have been in full enjoyment of a medium of international exchange more reliable and less difficult to regulate than gold. The currency desiderata of the present day are thus twofold—greater simplicity and uniformity in domestic media of exchange combined with some new medium to fill the long neglected gap in the mechanism of international trade. The latter is the fundamental requisite. Domestic currencies can never be thoroughly simplified and co-ordinated without some common link to bind them together. That link must be a medium of international exchange available for all commercial states. It should be serviceable more or less for the poorest as for the richest nations.

Apparently it has still to be created, and meanwhile the reform of domestic currency must wait for it. In its creation there will have to be three co-operating factors—the chief governments of Europe and America, the premier banks of these countries, and the pick of their foreign exchange experts. Such a combination of authorities should be irresistible if there were only a reasonable chance of their agreeing on any kind of a practical measure. But before they could even be brought together jealousies and prejudices would have to be overcome. There are governments who do not believe in allowing either bankers or high financiers too much scope. There are also a good many bankers in the United States and elsewhere who would let governments have as little as possible to do with either currency or banking. These, of course, are extreme views on either side. If they were rigidly enforced in real life, there would be little hope of our ever achieving a currency satisfactory to all interests. The hearty co-operation of governments, banks and foreign exchange experts is a *sine qua non*.

When it had been settled who were the proper authorities to undertake the task, another knotty question would arise as to their respective spheres of action. Currency is a wide field, and it has been subdivided in a great variety of ways. Subdivisions drawn by political economists and financial writers of half a century ago have gone out of date. For our present purpose a new one has to be made, suited to the circumstances of the time. Taking a general survey of existing currency, we find three grades of it: the lowest, "shopping" currency; the next, banking currency, and the third, international. There are, in fact, three separate currencies in opera-

tion among us, though we make little attempt to distinguish them, either in theory or practice. They are allowed to work with or against each other, as it may happen.

Each of these spheres or zones of currency ought to have a jurisdiction appropriate to itself, but that also is very much a matter of accident. The state has a certain well-defined historical position in relation to coined money. In advanced commercial countries, notably, Great Britain and the United States, it is acquiring a strong position in relation to paper currency by its large creations of postal notes, money orders, etc. This many bankers resent as an encroachment on their province, but it is rather a dubious issue to fight a government upon. Might it not be a wiser policy in the banks to try to come to a friendly arrangement with the Government as to their respective currency spheres? The Canadians have effected a compromise of that kind which appears to work satisfactorily. Under it the Government has a monopoly of the small note issues up to five dollars, and all over that is supplied by the banks. Canadian models may seem small to the average American, but he need not be above taking a hint from them.

The principle of having a special jurisdiction for small note issues quite apart and independent of the banks has a good deal to recommend it. During a bank scare great anxiety and alarm might be saved to the public, particularly to the poor, by having the "small change" currency of a country placed outside of the range of disturbance. In such times few would deny that the Government is the natural guardian of minor currency. This concession would be merely a logical extension of the Government control, exercised from time immemorial over the coinage. The banks, on their side, might, as a *quid pro quo*, be allowed every admissible freedom in framing a currency for their own use, one adapted to their special wants and circumstances. Government and banking currency might be arranged so as not to clash.

But to revert to our fundamental idea. The special and urgent need of the age is an international medium of exchange, by which all the other media could regulate themselves. The conditions of modern trade and finance demand that every domestic currency shall be as readily adjustable as possible to the currencies of the chief international markets. The fewer there are of the latter the better, and if one great international currency could be agreed on the blessing would be universal. But on the threshold we encounter a formidable question—what would be the best basis for such a currency—gold alone, or a combination of gold and international securities, or a three-fold combination of gold, international securities and bank credit of the highest class?

The single gold basis will not, we imagine, have many advocates outside of Lombard street. Elsewhere there is a perceptibly declining faith in the future of the yellow metal, and the immense hoards of it which have of late years accumulated in Paris and other European financial centres are no longer regarded with unmixed pride by their owners. As the hoarding proceeds, inconvenient doubts may arise as to its ultimate issue. Exclusive reliance on gold for currency and banking reserves, as well as for all the varied services of international exchange, can no longer be considered perfectly prudent. Both the banking reserves and international exchange might benefit

by having a second string to their bow in the shape of a select list of gilt-edged government stocks.

The decision of that point may, however, be safely left to the great national banks, which will be the proper leaders of any new currency movement. A group of such banks, representing London, Paris, Berlin and New York, would have an unprecedented combination of credit to start with. The Bank of England, the clearing-house banks of New York, the Bank of France, and the Reichsbank of Germany might agree to issue special notes for international use, reciprocally convertible in their respective territories. A Bank of England note for, say, £100, could be made payable at fixed rates of exchange in New York, Paris and Berlin. Conversely, a $500 note of the New York Clearing-House could be made payable at fixed rates in London, Paris and Berlin. A Bank of France note for 2,500 francs, or a Reichsbank note for 2,000 marks, might in the same way be convertible at fixed rates in each of the other issuing centres.

Of course the fixed rates would have to be subject to revision at longer or shorter intervals, as might seem advisable to the responsible managers of the operation. It would also have to be left to them to regulate the size and composition of the guarantee fund. Both would have to vary with the current demands for international exchange. But the fund being thus subject to regulation and control, would avoid the most serious of the drawbacks to which existing national gold reserves are subject. The possible demands on these are so variable and irregular that they can seldom be anticipated beforehand. Being separate and distinct funds, working independently of each other, and as often as not against each other, existing gold reserves have to provide liberally not only for known risks, but for the unknown and incalculable. In practice that means over-provision. And where competition between the various gold reserves also comes into play, as it frequently does, there is no conceivable limit to the excessive hoarding which may result.

A specially adapted guarantee fund with all the chief national banks of Europe and America behind it would be obviously free from the peculiar risks of the present system. It would have to deal with a calculable in place of an incalculable demand for international exchange. It could tell from day to day if its guarantee fund required to be increased or diminished. It would not require to hold an open door for gold from all the ends of the earth. Nor would it have to saddle itself with a legal liability to exchange notes for gold *ad infinitum*. Its actual average requirement of gold, month by month, could soon be ascertained by experience and observation. There would then be no occasion to purchase or to hold more than was really necessary.

What the amount might be it is needless to guess at this early stage, but we dare hazard a prediction that the existing gold reserves of the chief European and American banks would furnish it twice over.

If we add together the specie held by the New York clearing banks, say 240 million dollars, or 48 millions sterling, the gold reserve of the Bank of England, 24 millions, that of the Bank of France, 110 millions, and that of the Reichsbank, 48 millions, we get an enormous total of 230 millions sterling. Behind these are what may be called the second reserves—over 50 millions sterling of free gold in the United States Treasury, nearly as much in the Austro-Hungarian Bank, 15 millions in the Bank of Spain, and 5

millions each in the Banks of Holland and Belgium—altogether about 125 millions sterling. To say nothing of Russia, which before the end of the war may have to part with the bulk of her 80 or 90 millions sterling of borrowed gold, there must be at this moment nearly 400 millions sterling of gold stored in banks. Most of it could be readily drawn upon for the service of a feasible scheme of international exchange, but one-half say 200 millions, or even less, might suffice.

Under the new conditions there would be a great saving of wasted energy and a large reduction of incalculable risks. Above all, that most disturbing element in international exchange—the scramble for gold—would be practically eliminated. When it had been ascertained approximately what margin of gold reserve could be relied on, the limit of future demands for gold would be known and the last excuse for indiscriminate buying would disappear. Thereafter gold would be purchased like any other commodity—only when it was actually needed.

Not only would international commerce benefit unspeakably by some plan of foreign exchange notes like the foregoing, but the four countries immediately concerned would secure various indirect advantages. It would be a great gain to each and all of them to have their domestic currency and banking freed from the incalculable risks and vagaries of foreign exchange. To begin with London, the financial centre of the world, what an effect might it not have on the Bank of England to be emancipated from its absurd Issue Department and have a free hand to manage its currency and banking reserves according to the personal judgment of its directors?

Ten years ago it might have sounded like rank blasphemy to question the wisdom of the Bank Act of 1844, and especially that part of it which separated the Issue from the Banking Department. But the Bank is now threatened with such embarrassing results from this separation that a reversion to the old system is within the range of practical politics. The authors of the Bank Act assumed that by obliging the Bank of England to give its notes in exchange for all gold bullion tendered to it at £3 17s. 9d. per ounce, London might be made the market of the world for gold and consequently for money. But there were two wrong assumptions in the calculation. First, that the Bank could always get as much gold as it required at its fixed price of £3 17s. 9d. per ounce; secondly, that it would never have more gold tendered to it than it could utilize.

The recent history of the Bank shows that the first of these dangers has been realized, and that at some future date the second will be equally possible. The successful working of the automatic exchange of bank notes for gold bullion depends on the bank notes being actually needed for circulation. If not needed they have to be added to the note reserve in the Banking Department. Not being able to transfer them to the public, the Bank has to retain them in its own possession, and the effect of the exchange, so far as the Bank is concerned, is precisely the same as if it had bought a corresponding quantity of gold for its own account. The exchange of notes for gold takes place, not between the Bank and the public, but between the Issue and Banking Departments. Thus, let us say that at a given date there is 37 millions sterling of gold coin and bullion in the Issue Department, and that 10 millions of the notes issued against it have gone into circulation. That, as a matter of fact, is about the present proportion. The other 27 millions

sterling which is not wanted for circulation has to find refuge in the Banking Department, where it figures as the note reserve.

An odd situation now arises. The 27 millions sterling of bank notes which can not be circulated become the property of the Banking Department, while the gold they represent is the property of the Issue Department. In a double sense the 27 millions is the property of the Bank of England, held by it at its own risk and for its own account, just the same as if it had bought the 27 millions of gold in the first instance. From the Bank's own point of view this is by no means a profitable use to make of the 27 millions sterling.

Practically one-half of its total deposits, public and private, is swallowed up by the superfluous note issue representing superfluous gold. In effect, one-half of its deposits is condemned to sterility by the curious working of the Issue Department.

But matters might be still worse if the flow of gold into the Bank of England were to increase largely, as it well may, when the Rand mines begin to approach their maximum production. If concurrently with that great expansion of output the demand for gold in other financial centres than London should fall off, as it also may easily do when such centres find themselves saturated with gold, the Bank of England might have the bulk of the new output tendered to it, say 70 or 80 millions annually. The metal would be stored in the Issue Department, and failing public demand for currency purposes, the notes would have to be stored in the Banking Department. If the Bank deposits were to increase *pari passu* with the note reserve, and if they could not be drawn out except by means of notes, the Bank might still be secure. But the deposits might, and very likely would be, drawn out by means of checks, leaving a large portion of the notes behind them.

Ultimately the Bank might be so seriously hampered by the legal liability to exchange notes for gold bullion *ad libitum*, as to necessitate modification, if not repeal of, this part of the Bank Act. An easier and speedier way out of the dilemma would, however, be provided by the international exchange guarantee fund here suggested. By ensuring an adequate supply of gold for international exchange, the occasion for unlimited purchase of gold by the Bank would be completely superseded.

At the same time, the question of a single *versus* a multiple reserve which London bankers have been arguing in a circle for years past, might be brought to a head. The existing reserve of the Bank of England is too large for its own business, but too small for the protection of the joint stock and private banks as well. The Bank has never specifically undertaken to act as reserve holder for its competitors, but has more than once disclaimed the idea. If from 1844 onward it had been free to make a reserve to suit itself, instead of having one made for it automatically in the Issue Department, much less than 24 millions sterling against 48 millions of deposits might have served its turn. The fact of the reserve being so obviously excessive for the Bank's own use appears to have suggested to the joint stock banks that it might be incidentally useful to them as well. That happy thought, however, they would have to give up if the Bank were to limit its reserve to its own proper needs.

These are but one or two specimens of the banking anomalies in London which sooner or later will demand attention. As a preliminary measure, the

adoption of an international exchange currency would have a widespread effect. Once relieved from the sixty-year-old fiction that a free market might be made in gold by merely fixing a rate at which it could be exchanged *ad infinitum* for bank notes, British currency would be simplicity itself. The pound sterling would become for foreign use a unit of international exchange, and for domestic use it would continue to be a unit of gold. But in the latter case it would be a definite unit rated to a definite stock of gold within the United Kingdom, and not to the immeasurable stock in the world at large. So far as public circulation goes, British paper and silver money might remain exactly as they are.

Another interesting question arises as to how French currency might re-adjust itself to an international exchange basis. The peculiarity of the French situation is the immense volume of money, both paper and metallic, in actual use. The Bank of France alone reports an average weekly circulation of close on 170 millions sterling. This is covered by a metallic reserve of 112 millions in gold and 45 millions in silver. The Bank of France differs from the Bank of England in holding very little gold at its own risk. Notes for more than the nominal value of it have not only been issued, but to a very large extent put in circulation. In its annual report for the year 1902 the Bank of France distinguishes the amount of notes held at the head office and branches from that in the hands of the public. The former was 20 millions sterling and the latter 146 millions. Very different proportions, both of them, from what we have seen in the English note issues against gold. In France seven-eighths of the notes issued get into *bona fide* circulation, while in England only one-third get beyond the Banking Department.

The heavy and continuous demand for gold that has come from Paris all through the current year evidently proceeds from the public and not from banking manipulation of any kind. The Bank of France has been called on for more and more notes, and it has had to buy more gold to cover its new issues. If a serious disturbance were to take place in the gold market the French people and not the Bank of France would be the chief sufferers by it. They hold seven-eighths of the 170 millions of notes outstanding, all of which the Bank of France can redeem either in gold or silver, at its option. But this is a state of affairs which cannot last indefinitely. As banking facilities are developed in France an important economy in the use both of metallic and paper money will be one of its inevitable effects. When that reaction begins France may discover that it has over-saturated itself with gold. It has a larger stake in the maintenance of the gold market than any other country save the United States.

Germany, with its double population and more than double volume of trade, gets along with little more than one-third of the note circulation of France, and not much more than one-fourth of the stock of specie. In fact, Germany is the one country that has taken effective precautions against a possible glut of gold in the near future. It started with a modest stock of the yellow metal and adds to it only at discretion. The Reichsbank is saddled with no compulsory gold purchase clause like the Bank of England. But it has not altogether escaped from anomalies. Periodically its note circulation is thrown out of gear by a pedantic regulation that all public salaries must be paid in coin or notes. Every now and then extra issues of notes have to be made for that and other special objects, and until these extra

issues return the local currency is disorganized. But for these eccentricities the metallic stock of the Reichsbank might be even more moderate than it is.

The country which is interested above all others in everything that tends to greater simplicity and efficiency in the media of exchange is the United States. More than all others, its currency situation is unscientific, incongruous and provisional. Greenbacks, silver certificates, Treasury notes and National bank notes are political accidents rather than essential parts of a well-thought-out monetary system. Each of them may have to undergo various transformations before it reaches its final form, but the final form, when it is reached, will, we may feel sure, be a consistent organic whole. American determination to have the best money in the world will have to be realized in form as well as in substance. By a declaration of Congress, made under somewhat melodramatic circumstances, the substance has been rendered perfectly secure. Every dollar, whother gold, silver or paper, is now and hereafter to be as good as every other dollar.

But that cures only the defects of substance and leaves the defective forms as they were. Neither the gold money, nor the silver money, nor the paper money of the United States is in satisfactory working shape. Though their safety has been placed beyond a doubt, their adaptation to the duties they are supposed to perform is as much in question as ever. That they are enough and no more than enough for their normal work cannot be confidently said of any of them. That they are always available when and where most needed would not be generally admitted. That they are free from extremes of superabundance and scarcity would be promptly denied by all users of them. In fact, United States currency as a whole may be best characterized as being in a state of chronic plethora, varied by occasional dearths.

But these formal defects are so slight compared with the serious dangers which beset the currency a few years ago that ordinary business people have ceased to trouble much about them. The demand for currency reform has dwindled down to a single class—the bankers—who have a special interest in it. And what they agitate for is not so much general reform of the currency as an ideal note issue to suit their own business. Their action is perfectly legitimate and irreproachable. It may be cordially indorsed and supported provided we do not forget the larger part of the problem lying outside of it. The idle accumulations of gold and silver at Washington call for action almost as urgently as the inelastic bank note. Speaking generally, the public stocks of both metals are far beyond actual monetary needs. A large portion of them is what an American instinctively abhors—wasted energy. Two gold or silver dollars to do the work of one is as absolute waste as a 200-horse-power engine working up to only 100-horse power.

Our proposed new medium of international exchange would go a long way toward solving the gold difficulty in the United States as well as in Europe. It would substitute a calculable for an incalculable demand for gold. The calculable demand would admit of definite gold reserves being held against it. These might be much smaller than existing stocks, and still have an ample margin of safety. Stocks of silver might not be so directly affected, but their dilemma would be at least partially relieved. At present a considerable amount of gold has to be held for their protection. It may not be ear-marked for that purpose, but every one knows that if there were

not so much depreciated silver in the Treasury there would be less need for large gold reserves.

One day the silver dilemma may be completely solved by the transformation of Bland dollars into Pan-American dollars. A monetary convention with Mexico and the republics of Central and South America should not be an impossible task for Washington statesmen. They have in the past few years grappled successfully with even greater difficulties. The basis of such a convention would, of course, have to be a silver dollar. In order to suit Mexico and the Latin republics it would have to be a 50-cent dollar. The United States might make a sharp loss on its five hundred and odd million dollars of silver scaled down 50 per cent., but there would be prospective compensations to counterbalance it. Whatever may be the future fate of that five hundred million dollars of silver, the wasted energy which it now represents will have to find some outlet. The character of the American people is ample guarantee for that. There is little risk in predicting that twenty years hence the stocks of gold and silver at Washington will be materially less than they are to-day. A second prediction may be ventured on, that the aggregate amount of gold and silver money within the Union will be doing a much larger percentage of monetary work than it does to day.

And now as to the two groups of paper money—the bank notes and greenbacks. American bankers seem to have strong convictions as to both these forms of currency. They are dead against greenbacks and very much in favor of larger note issues. More elastic bank money is their war cry. So far as careful study of the speeches at many bankers' conventions enables me to judge, they are in search of an automatic scheme for adjusting the supply of bank notes to the varying needs of the National banks themselves. The elasticity argument does not, of course, apply to the stocks of gold and silver in the country, because one of these—silver—is practicably invariable, and the other—gold—is not controllable. Neither can they apply to the greenbacks, for they are a fixed quantity. It applies only to bank notes, the one variable branch of the currency. And how does that vary? Not with the rise or fall of public demand for National bank notes, but with the expansion or contraction of the National banks themselves.

Every National bank is an issuing centre for notes, and when we find that in the past twenty-three years (1880–1903) nearly three thousand new issuing centres have been opened, it is hardly surprising that the supply of notes should sometimes be overdone. The puzzle is that there should be any scarcity of them. When such an anomalous condition occurs, we may do well to ask if it is not due rather to the excessive elasticity of the National bank system than to the inelasticity of the National bank note. Anyhow, the issue rests chiefly between the note issuers and the note users.

The United States currency is the largest in the world, and has the most remarkable history. It is rich in examples of the anomalies and incongruities we have been remarking on in modern currency systems. How much of its *nearly three thousand million dollars* has been created in response to currency requirements, pure and simple? And what proportion of it is being employed in currency work, pure and simple? Of the dozen or more different types of currency, how many have come into existence naturally and uninfluenced by extraneous motives?

The oldest of them, the greenbacks, what are they but a survival of an

economic régime at the very antipodes of everything we see to-day in the United States? A political expedient, they commemorate a national crisis which threatened the very existence of the Union. When the greenbacks were issued there was no time to consider the niceties of scientific currency law. Money had to be raised anywhere and anyhow to carry on the war, and the greenbacks served their purpose. Whether or not they should have been wholly withdrawn after their purpose was served is in one sense a question that concerns only the Americans themselves. Seeing that they always have and perhaps always will differ widely upon it, there is the less reason for foreigners to meddle with it. We only note in passing the curious illustration which the greenbacks furnish of the fortuitous evolution of some of the most historic currencies.

The impartial critic of currencies generally will fail to see any special reason for the withdrawal of the greenbacks. Now that they have been reduced to a very moderate amount and their convertibility secured by an ear-marked reserve in the Treasury, the adequacy of which can hardly be questioned, they will bear comparison with the Government notes of any other country. The only ground on which they can be challenged is the advisability or otherwise of Government note issues. To the latter different kinds of objection have been taken, chiefly theoretical. It has been said by one set of objectors that governments should not engage either in the banking or the currency business. But even if we agreed in principle with that objection, its practical enforcement would be difficult, if not impracticable. It would, as a matter of strict consistency, involve the closing of all National mints and the stoppage of the postal money order service.

Mention of the postal money order service reminds us of another unofficial and as yet unacknowledged form of currency which is fast rising into importance. It represents currency made while you wait, and as such it has evident advantages over the old-fashioned moneys that have to be made in advance and stored up for unknown future uses. The storage of money is a paradox that only came in with the modern banking system. It drove out for a time the original and orthodox doctrine that circulating medium is meant to circulate and is really useful only in so far as it does circulate. Hoarding and currency are utterly incompatible ideas. Therefore, we hope that the international money of the future will have a more mobile basis than tons of gold heaped up in bank vaults; and that domestic moneys will one day bear a reasonable proportion to the actual work for them to do. Thus may the existing chaos of currencies be eventually cured, or at least alleviated.

W. R. LAWSON.

LONDON.

A MODEST BANKER.—A Connecticut banker who was asked to furnish a picture of himself for publication, sent the following answer to the request:

"I have no photographs of myself on hand at present. Strange as it may seem, I have only had one-half dozen taken in twenty years. If you should ever see one you would realize why I do not have more taken. At the same time my family have requested that I shall overcome my indisposition to be caricatured, as they wish, in case of accident, to preserve my 'liniments' (as Mrs. Partington expresses it). I wish to say that if I have the opportunity in a few days, I will run the risk of 'breaking the camera,' and if it is reasonably successful, will send you a sample of the result."

THE EVOLUTION OF OFFICIAL COINAGE.

Gradually the function of coinage has been assumed by the State as its peculiar prerogative—sometimes in the belief that a profit could be obtained by its exercise, but fundamentally because it has contributed to the convenience of the commercial world that coins should possess uniformity in size and denominations and a guaranty of value more widely known and firmly established than that of the individual. So numerous have been the abuses of this prerogative that a writer has occasionally been found to echo the query of M. Leroy-Beaulieu, whether it would not have been better that individuals or free associations should have been entrusted with the authority of coining and certifying to the value of money. He suggests that this might have been done by banks of established reputation, and that, even if the Government was permitted to coin, contracts might have stipulated for payment by weight of metal instead of in coins.* This is substantially the course that has been pursued where the coinage has become, by accident or design, too variable to be a trustworthy medium of exchange.

In the Middle Ages the privilege of coinage was associated with that of mining. Both of these were treated by the lawyers as nominally rights of the crown, but were the subject of repeated grants to individuals and corporations. Charlemagne in 805 prohibited any coinage but that of the royal mints, but his successors were neither able to refuse concessions nor to suppress unauthorized minting. An effort was made in the thirteenth century to limit the circulation of the money of the lords to the provinces where they had authority.† St. Louis endeavored, as several of his predecessors had done, to substitute purely official coinage for that of the seigneurs—a measure which, in the language of M. Blanqui, "might have had favorable results if the kings had not abused it to artificially multiply their resources by fraudulent alterations."‡ In 1315 royal letters limited the weight and fineness of the seigneurial coinage in France, and later the policy was adopted of buying back the rights of the seigneurs.§ When Charles II revoked the charter of the Massachusetts Bay Colony in 1684, one of the avowed reasons was the creation by the colony of its own mint; but circumstances showed that this infringement on the royal prerogative was not considered very grave. The mint had been founded more than thirty years before (in 1652); its operations were allowed to continue for more than twenty years after Charles's restoration, and when an application was made to continue it, under the adminis-

* "Thus would have been obtained the combined advantages of coined money for ordinary transactions and of the maintenance of the weight of the metal as money of account and as final regulator of large transactions."—*Traité d'Economie Politique*, III, p. 128.

† Nys, *Recherches sur l'Histoire de l'Economie Politique*, p. 182.

‡ *Histoire de l'Economie Politique*, I, p. 224.

§ Nys, p. 183. The seigniorage which might be charged by private refiners of gold and silver was fixed by royal decree as late as August, 1757, although attempts had been made in 1692, 1719 and 1723 to replace the private guilds by public officers."—Léon, *Histoire des Corporations de Métiers*, p. 383.

tration of Sir Edmund Andros, it was referred to the British Master of the Mint, who reported against it, merely upon "prudential considerations." *

So well established has the principle now become that coinage is an act of sovereignty, that the long series of the coins of the Popes came to an end with the capture of Rome by the Italians and the end of the temporal power in 1870. Pius IX, whose reign began in 1846, continued until then the traditions of the oldest surviving sovereignty in the world, and the one, perhaps, which has issued the greatest variety of beautiful gold and silver coins. More than 8000 authentic Papal coins are known to numismatists, including those of anti-Popes, the ephemeral "Good Estate" of Rienzi, and the republics of revolutionary times.† It was the aim of many of the earlier pontiffs to ennoble the function of money by the inscriptions which they put upon their coins; ‡ but the later issues of Pius IX conformed closely to those of other countries of the Italian peninsula.

Substantial Reasons in Favor of Government Coinage.

The universal decision of modern society in favor of coinage by the government rests upon substantial foundations, in spite of the frequency with which the privilege has been abused. One of the reasons which especially justify giving coinage into the hands of the government is thus summed up by Prof. Sidgwick: §

> "The ordinary advantage to the community from competition, in the way of improving processes of manufacture, is hardly to be looked for in the case of coin. It is the interest of the community that coins should be as far as possible hard to imitate, hard to tamper with, and qualified to resist wear and tear; but the person who procured the coin from the manufacturer would not be adequately impelled by motives of self-interest to aim at securing excellence in these points, since he would, of course, want merely to pass the money, and not to keep it."

Upon the State, therefore, has gradually devolved the stamping of metallic money, and to some extent the control over its issue. In early times, when the various trades were controlled by guilds and the general rule in commerce was that of monopoly of privileges, the authority to issue coins was treated by princes as a monopoly. So long as the quantity of coins to be issued was determined wholly at their pleasure, they found a profit in debasing the pieces from time to time and thereby increasing the number which could be produced from a given quantity of metal under the old denominations. With the advent of more enlightened knowledge of the functions of money, the privilege of the State has been restricted to something like that of the custodian of weights and measures—not the power to control the quantity of instruments used, but simply the power to ascertain that those used are in conformity with the requirements imposed by law.

It is because it is of primary importance that coins should have an exact, unvarying and unquestionable weight and fineness that coinage has been brought to a high state of mechanical perfection and placed under so many official safeguards in modern civilized countries. The earliest coins were

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* Hickcox, "American Coinage," p. 2.

† Calboli, *Les Monnaies des Papes*, in "*La Revue*" (August, 1903), XLVI, p. 432.

‡ Those of Innocent XI bore the words, *Melius est dare quam accipere*, and those of Clement XIII, *Da pauperi*.

§ "Principles of Political Economy," p. 446.

simply bullets of metal, oval or beam-shaped, having on one side the seal of the community or individual responsible for the purity of the metal and the exactness of the weight.* But such pieces lent themselves easily to alterations by others and to debasement by their issuers. Gradually were introduced stamping on both sides, hammering the pieces instead of moulding, and milling the edges. A silver coin of Charles IX of France, issued in 1573, is said to have been the first which was marked with a legend on the edge. English coins were first grained or marked on the edge in 1658 or 1662, when the use of the mill and screw was finally established in the mint. †

Careful verification of the weight and fineness of coins by official authority has been the rule in highly civilized States. In Athens the coinage was confided to three special officials, of whom one had general charge of the work, another attending to the minting, and the third was charged with general surveillance. The latter was frequently changed, in order, as M. Lenormant says, that he might not have time to form ties with those whom he supervised, "which would lead to a complicity which would facilitate fraud." ‡ The first Roman magistrate to establish the assay of coins is said to have been Marius Gratidianus. His edict was so popular that a statue of silver was erected in his honor. Long afterwards, in the time of the Emperor Julian (359–61 A. D.), it was ordered that when there was a dispute as to whether a solidus was good or bad or of proper weight or fineness, it should be examined by a magistrate in each large city.§ In Great Britain the adherence of the coin to the legal standard is determined by what is called "the trial of the Pyx." A certain number of coins of each denomination are placed after each day's work in a box called the Pyx, and an official board annually makes a rigid test of the accuracy of the coinage. The standard troy pound is kept in the chapel of the Pyx at Westminster. In the United States coins are set aside in a similar manner, and are tested by a committee of citizens appointed by the President and known as the Assay Commission.‖

Voices were raised, even in the Middle Ages, in favor of limiting government interference with the coinage to honest certification of its weight and fineness. Nicolas Oresme, Bishop of Lisieux, in his celebrated treatise written in the fourteenth century, regarding the invention of money, declared: ¶

> "While, for the common convenience, the Prince enjoys the function of signing money and coining it, it by no means follows that the Lord and Prince is or ought to be owner and lord of the money current in his principality; for money is the instrument and medium (*aequivalens instrumentum*) for circulating natural riches among men. Money is hence the true property of those to whom belong such natural riches; for, if any one gives his bread or corporal labor for money, when he receives it, it is his own as much as was the bread or the labor which were in his absolute control."

Hence, argues this sturdy admonisher of princes, in his terse Latin, the object of the image and superscription of the Prince is to signify and make

* Stanley Lane-Poole, "Coins and Metals," p. 11.
† Jevons, "Money and the Mechanism of Exchange," p. 60.
‡ "*La Monnaie dans l'Antiquité*," III, p. 52.
§ Grimaudet, "The Law of Payment," p. 28.
‖ *Vide* report of this commission, "Annual Report of the Director of the Mint, 1903," p. 53.
¶ "*Tractatus de Origine, Natura, Jure, et Mutationibus Monetarum*," Ch. VI.

known the certainty of the weight, quality and excellence of the coin, just as the measures of grain, wine and other things bear his imprint, and any one found to have committed fraud in them is judged a swindler.*

Derivation of the Names of Ancient Coins.

The fact that the value of money depended, from the first use of the metals, upon the weight of the metal, is demonstrated by the derivation of the names of the most ancient coins from units of weight. This is the history of the Roman coins, which were related to the *libra* or pound ; of the *livre* of the French coinage, and of the pound sterling, which forms the unit of value in Great Britain. The pound troy (*livre de Troyes*) owes its name to the City of Troyes, whose commercial customs were widely spread in the Middle Ages as the result of the fairs which were held there.† Even though the weight of the coin was reduced by successive changes and debasements, until it came to contain only one-seventy-second part of its weight in the time of Charlemagne, it retained the name of *livre* until after the Revolution of 1789, when the passion for baptizing every object with a title suggestive of the new political era led to the adoption for the French unit of the word *franc*. In Great Britain the pound weight originally used as a basis of the monetary system was the Tower pound, but this was superseded under Henry VIII by the troy pound. The term "pound" has survived many debasements of the coin and is now the official designation of a weight of gold which is only a fraction of its former weight.‡

The memory of the Roman coinage survives in the signs still used for English money—£., s., d., standing for the *libra*, the *solidus* of Constantine, and the *denarius*, or penny.§ The *solidus* was translated in the Germanic languages into *schilling* or shilling. The distinctive monetary unit of Germany, however, preserved in name in the present imperial coinage, was the English mark, also a unit of weight.

The term "dollar," which was adopted as the name of the unit in the United States, had a different origin. The name "thaler" was a contraction of the German words for the *gulden groschan* or penny of Jochimsthal (*Jochimsthaler gulden-groschpfennig*), so-called because first coined, toward the end of the fifteenth century, from the silver obtained from the mines in Joachimsthal (Joachim's Dale). The size of this coin seemed to commend it to the commercial world, and its use rapidly spread over Europe. It was declared in an inquiry into the coinage in Great Britain, in 1638, in complaint against the goldsmiths, that "many thousands of dollars and Spanish money they furnish yearly to merchants that trade for Norway and Denmark, to transport silver for those parts."‖ The large coinage of silver by Spain in Mexico made the *peso*, or dollar, a familiar coin in the Western world, and led to its selection by Jefferson as the unit of the monetary system which was adopted in 1786 by the Congress of the Confederation of the United States.¶

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* *Tractatus*, etc., Ch. XII.

† *Con.* Puynode, "*De la Monnaie, du Credit et de l'Impot*," I, p. 7.

‡ How the term was transferred by usage from a silver to a gold unit is set forth by Carlile, "The Evolution of Modern Money," p. 21.

§ Lane-Poole, "Coins and Medals," p. 97.

‖ Shaw, p. 149.

¶ Hickcox, p. 46.

ORIGIN OF THE DOLLAR SIGN.

The adoption of the sign ($) for the dollar is generally ascribed to the designs on "the pillar dollar" (*Colonato*), which represented the pillars of Hercules, the ancient name of the promontories on the opposite sides of the Straits of Gibraltar. While sometimes ascribed to the colonial coinage, because of the wide use of these coins in the Philippines and other dependencies of Spain, the "pillar dollar" was in its origin essentially a coin of the mother country.* By a strange coincidence, it befell the nation which had made the widest use of the dollar sign to adopt a new distinctive sign for the coin which superseded the old Mexican dollar in the Philippines. This was the capital P for *peso*, with two horizontal, instead of vertical, lines drawn through it.†

COINAGE A BADGE OF NATIONAL DIGNITY.

In modern times each civilized State has usually adopted a distinctive national coinage system of its own. Among the barons of the Middle Ages to issue their own coins was a mark of independence; among modern nations it has become a badge of national dignity.‡ In the beginnings of modern economy nations have often begun without a national coinage, especially where their resources in the precious metals were not large. This was the case in the United States in their early history. Although a national coinage system was provided for by Congress, the amount of metal brought to the mint was small. English, Spanish, Mexican and other foreign moneys were largely used. This was partly due to the fact that the silver dollars provided for by Hamilton were lighter than the Spanish dollars. They were promptly exported, exchanged in the Spanish-American countries for Spanish dollars, and the latter were brought to the American mint for recoinage at a considerable profit to those making the exchange.§ When it became apparent that the extensive operations of the mint were not affording the country a stock of currency, but were merely a source of profit to money lenders, President Jefferson issued his famous order of 1806, suspending the coinage of silver dollars, which remained substantially in operation until the provisions made for reviving the coinage by the Bland Act of 1878.

The value at which the silver coins of Mexico, Peru, Chile, and Central America should pass current in the United States was set forth in an act of June 25, 1834. By a later act of the same year the gold coins of Great

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* Hazlitt, "The Coinage of the European Continent," p. 512.

† *Vide* executive order of Governor Taft, August 3, 1903, "Report of the Commission on International Exchange," p. 408.

These Philippine coins were familiarly called "Conants," because the system was based upon a report made by the present writer to the Secretary of War, November 25, 1901. While this designation was much used to distinguish them from the coins previously in circulation, it had no formal official recognition.

‡ Jefferson was even disposed to treat the location of the mint within the country as essential to national dignity.—Hickcox, pp. 51–52. It has become a frequent custom, however, for the smaller nations to have their coins executed at the well-equipped mints of Philadelphia or Paris. The French mint between 1893 and 1901 executed coinage, apart from that for its own dependencies, for Russia, Greece, Switzerland, Crete, Morocco, Brazil, Venezuela, Guatemala, Haiti, Bolivia, Chile, Monaco, and several other countries.—*Administration des Monnaies et Medailles, Rapport*, 1903, pp. 41–55.

§ Andrew, "The End of the Mexican Dollar," in "Quarterly Journal of Economics" (May, 1904), XVIII, p. 327.

Britain, France, Portugal, Spain, Brazil, Mexico, and Colombia were given recognition; but by the act of February 21, 1857, "all former acts authorizing the currency of foreign gold or silver coins, and declaring the same a legal tender in payment for debts," were definitely repealed.

Circulation of the Mexican Dollar in the Orient.

In the principal countries of the Orient a coin has been employed until recently, which has had, perhaps, a wider use and more interesting history than any other single form of coin in the world. Even the coins of the Roman Emperors and the pound sterling of Great Britain have hardly enjoyed a use among so many peoples and for so long a time as the Mexican silver *peso*. Issued in its original form in 1535 from the Mexican mints, which were then under Spanish authority, it was carried to the Philippine Islands while they formed an appanage of Mexico. From there it penetrated to the Chinese ports,* and eventually into Japan, Singapore, French Indo-China, and even to the Russian establishment at Vladivostock. It is not surprising that the Mexican *peso* should have found such a wide field, in view of the fact that from the fifteenth down to the middle of the nineteenth century more than four-fifths of the silver produced was taken from the mines of Mexico and Spanish America Mexico had the mines and the mints; Spanish commerce, in the earlier days, had command of the two oceans, and Spanish monarchs were masters of the two Indies.

One of the reasons for the persistence of the use of the Mexican *pesos* was the comparatively few changes which were made in their weight and fineness. Twice during the eighteenth century they were slightly reduced, but the weight and fineness adopted in 1772 (416 grains, 0.902 fine) has remained undisturbed to our own day through two generations of Spanish rule, and a longer term under the Mexican Republic. In the United States, as Prof. Andrew declares: †

"During the War of Independence, when the Federal Congress issued bills of credit, they made them explicitly payable in the Spanish dollars; and when a little later the leaders of the new republic set about the establishment of a national currency, Jefferson only expressed the common opinion in declaring that among the various currency units the dollar was 'the most familiar of all to the minds of the people.'"

It is not surprising that a coin so widely distributed throughout the world should have been an object of sentimental attachment in Mexico and should have remained long in use after it had been discarded in other countries. Its gradual abandonment in countries not under the sovereignty of Mexico was due in part to the desire in each country for a distinctive local coinage, but much more directly to the fluctuations in the gold price of silver, which, after 1870, drove one country after another to the definite adoption of the gold standard. This movement was slower in the Orient than in Europe. The United States undertook in 1873 to introduce into China a substitute for the Mexican *peso*, known as the "trade dollar," but the experiment was ultimately abandoned. Other experiments were made from time to time by the British Government, but it was not until 1895 that the Bombay or "Hongkong dollar" was authorized, which became a serious competitor of the Mexican.

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*Chalmers, p. 371.

†"Quarterly Journal of Economics" (May, 1904), XVIII, p. 326.

Japan, in 1871, issued a silver piece known as the *yen*, of about the same weight and fineness as the Mexican coin, but it was only in 1897 that she adopted the gold standard and made the circulation of foreign silver coins practically impossible within her limits. Her policy in this regard was followed by the Philippine Islands in 1903, and by the Governments of the Straits Settlements (under British authority), and French Indo-China. Even in China sporadic attempts were made from time to time to supplant the Mexican coin by local issues.* Thus it came about by degrees that when Mexico herself proposed, after the issue of 3,500,000,000 *pesos* from her mints, to suspend the coinage of the old *peso* and issue a new one upon a gold basis, an official commission was compelled to report that while 100,000,000 ounces of silver are sold annually in London, the sales of Mexican dollars had dwindled to $10,000,000, which does not exceed 8,000,000 ounces, and that "the market for the Mexican dollar is rapidly disappearing." †

The coinage systems now most widely used are based upon the decimal system of enumeration. The United States were among the first to adopt this system in the plan enacted by Congress in 1792, in accordance with the recommendations of Hamilton. The gold dollar was made the unit, divisible into ten parts, called dimes, and into one hundred smaller parts, called cents (from the Latin *centum*, a hundred). The French franc, issued in 1803, was subdivided into one hundred parts, called *centimes*, but the unit was of a much lower value (19.3 cents in United States gold). The same system was adopted, although with different names for the unit, by the other countries of the Latin Union—Italy, Switzerland, Belgium and Greece. It was also adopted by Spain in 1868, although she did not become a member of the Union, and was adopted after their emancipation from Turkey by Bulgaria, Roumania and Servia. The German Empire adopted the decimal system in 1873, making the mark the unit, worth 23.8 cents in United States gold, and divided into one hundred *pfennigs*. The States of the Scandinavian Union and Austria-Hungary, in reorganizing their monetary system during the latter part of the nineteenth century, adopted the decimal system with a unit a trifle higher than the franc. Russia, in restoring specie payments in 1897, adhered to the decimal system, and adopted a gold unit, worth 51.5 cents in United States currency. Japan has a unit of nearly the same size, also on the decimal system, representing the value of 49.8 cents in American gold; and the new coinage system of the Philippines is approximately the same, with a unit worth fifty cents in American gold, divided into one hundred centavos.

CHARLES A. CONANT.

* *Vide* "Report of Commission on International Exchange," p. 199.
† "Commission on International Exchange," p. 171.

NEW COUNTERFEIT $2 SILVER CERTIFICATE.—Series of 1899; check letter A; plate number, 240; J. W. Lyons, Register; Ellis H. Roberts, Treasurer; portrait of Washington. This note is apparently a zinc etching, poorly printed on two pieces of paper, between which ink lines have been made to serve the purpose of the silk threads of the genuine. The face of the note is heavy and blurred, the back very light. This note made its appearance in Boston.

SOME OF THE ELEMENTS OF A GOOD LOAN.

[Address delivered before the Ninth Annual Convention of the Washington State Bankers' Association, at Walla Walla, June 18, by E. T. Coman, Cashier First National Bank, Colfax, Wash.]

A paper on the subject outlined in the title must, as the heading would indicate, be more or less elemental. The question, "What constitutes a good loan?" is one that comes to every banker many times each day. Upon its correct answer, made on the spur of the moment, lies the secret of success or failure of the bank entrusted to the care of the person to whom this question is put. David Harum's reply to the inquiry as to how to run a bank —"Loanin' your money and gittin' it back"—contains the gist of the business. It was Chet Timson who ran the bank. "Old man Harum just sat 'round and spun yarns and said 'yes' or 'no' when fellows wanted loans." This responsibility is one that cannot be shifted easily to another, as the knowledge of men and conditions essential to the correct answer is acquired by years of study of business and of individuals. To the man who can invariably give the correct answer to the application for accommodation there is open a place behind the executive desk of the largest financial institutions of the world. It is as important to have said "yes" when the applicant was entitled to credit as it is to have said "no" when the granting of credit involved the probability of a loss.

Importance of the Judicious Granting of Credit.

The banker exercises no arbitrary discretion when he extends or refuses accommodation to the borrower. Within certain, perhaps, not too well-defined lines, he is the servant of the public, rather than the autocrat, which is sometimes popularly supposed to represent the ideal of a banker. In no department of its utilities is the business of a bank to be increased so sure or so fast as in the judicious granting of credit to those justly entitled thereto. While it is popularly called "accommodation" when a banker extends credit to an applicant, yet the accommodation is mutual if the conditions are right. For a banker to refuse a loan to a customer who is entitled to it by reason of his responsibility and his account in the bank, is to fail to fulfill his function as a part of the commercial life of his community, and to make public acknowledgment that there is some weakness somewhere in the management of his institution. To be subject to such an arraignment it must be an unqualified good loan that is turned down.

If each banker here were to be asked the question, "What constitutes a good loan?" it is likely that there would be almost as many different answers as there are members assembled. each differing according to environment and experience. Says one: "A good loan is one secured on United States bonds as collateral, with a reasonable margin for shrinkage." That would indisputably be a good loan; but unfortunately all of the collateral that is presented to the Cashier's window does not consist of Government bonds alone, but is

apt to be what Wall Street denominates as mixed collateral. So fixed, in fact, that while it may contain no "cats and dogs," yet often steers, sheep and shoats constitute a large element of the security offered. A Texas cattle king once applied to Russell Sage for a loan of one hundred thousand dollars on his band of twenty thousand steers roaming the Panhandle of Texas. Sage replied, "Why don't you ask me for a loan on a shoal of shad off Sandy Hook?" Yet among the bankers of Iowa, Missouri, Kansas and Nebraska there is considered no paper so choice as that offered by the cattle-feeder. These bankers do not hesitate to advance the entire purchase price of a bunch of steers, provided the applicant for the loan has the corn with which to make them beef; the prudent practice being to take a blanket mortgage on both corn and cattle. The competition to secure such paper has reduced the rate of interest to the lowest profitable basis, and brokerage firms were established for the sole purpose of floating this class of paper. The dangers of over-competition in luring bankers away from cautious, conservative methods were never better illustrated, nor was the punishment ever more prompt and severe than in the experience of the bankers of the Central States with Gillette. This enterprising financier floated over a million dollars on an evanescent band of cattle, and absconded, leaving a score or more of banks scattered from Chicago to Denver to mourn his departure and their loss. Such instances as this, which may be found of frequent occurrence, should put the banker on his guard in buying paper of even a well-rated individual or corporation, for there can be no absolute assurance that such may not be up to the limit with several institutions.

Co-operation to Protect Purchasers of Commercial Paper.

It would be well if some scheme of closer co-operation could be devised that would protect the interests of bankers in handling commercial paper that is offered on the open market, especially as of late there has developed such an extensive business in this line of investments. The fact that responsible firms, engaged in legitimate business, finance in part their enterprises by this means, gives commercial paper its standing and makes it an attractive field for dishonest and irresponsible concerns to float loans based on inflated and fictitious assets. The only protection now offered to the country banker who seeks an outlet for his surplus funds, in the purchase of commercial paper, is the advice of his city correspondent, or the recommendation of some brother banker operating in the place from which the paper emanates. Human nature is much the same the world over. The country banker does not send his best customer's paper on the markets of the world as long as he can possibly carry him from his own resources. The answers given to inquiries of this sort are seldom satisfactory and not always disinterested. A banker is not often free to disclose his information. He should be the recipient of the entire confidence of his customers and he would be recreant to his trust, indeed, should he ever presume to reveal any of such secrets unless previously fully authorized so to do.

The only other general source of information that exists aside from the direct representations of the firms, is the reports of commercial agencies. There should be a more intimate relation than exists at present between the banking fraternity, who are the largest dealers in commercial credits, and the commercial agencies, whose business it is to establish correct credit rat-

ings. Commercial agencies usually depend for their reports on their attorneys. Abraham Lincoln was once called upon to give a report on the financial standing of a brother attorney. Lincoln replied: "I called on Jones at his office, and found that he had a wife and baby, and that ought to be worth $50,000 to any man; he possessed half a dozen law books, two wooden chairs, a pine table, and a rat-hole that is certainly well worth looking into." Lincoln's report is about as satisfactory as the average reply one gets from a letter of inquiry. The relations of the banker and the commercial agency are one worthy of a paper devoted entirely to its elucidation. Suffice it to say, there are grave risks involved in purchasing paper from brokers. The failure of the National Wheel Company some ten years ago left eighty-seven banks scattered through the East holding such quantities of its bills payable that they were compelled to appoint representatives to assist in the reorganization of the concern and participate in its management for several years before the claims were finally liquidated. The failure of Porter Bros. and the subsequent publication of their condition revealed the fact that they had impartially distributed their evidences of indebtedness so that some even found lodgment in the tills of the bankers of the State of Washington. Yet such seemed the best of investments, for both of these concerns, cited for illustration, were rated with ample capital and high credit.

The purchase of commercial paper, however, represents but a temporary investment of funds, when there is a plethora. A bank is not fulfilling its full duty to its local community that thus uses its funds until after every legitimate local demand has been fully provided for.

Distribution of the Bank's Loans.

An authority on banking has asserted that a bank should have twenty per cent. of its investments in high-grade bonds and securities, such as are convertible on a moment's notice, as may be required; twenty per cent. in commercial paper, which is purchased in the open market, and which involves no obligation to renew at maturity; and the other sixty per cent. in loans to his customers at home in the current business. It is to this sixty per cent. of his investments that I would confine myself in endeavoring to give a definition of a good loan. It is also the view-point of one engaged in commercial banking, rather than that of the Savings bank or trust company. The first seeks long-time investments bearing low rates of interest, with the first requisite, absolute security. The second, if we may judge from the records of some of the more recently organized trust companies, and from the emphasis laid upon the interest-paying advantages to depositors, seems to be a method of obtaining large loans from the general public, without security, for the purpose of financing the undertakings of its promoters.

With such limitations as above outlined, a good loan may be defined as, "Such an advance of credit as is a reasonable per cent. of the market value of commodities in the process of conversion into money."

No definition or standard can be so precise or exact as to eliminate the necessity of the exercise of judgment in its application, and in no field of endeavor is there greater need for such exercise as in that of banking. Such a definition is like the preacher's text, but a basis from which to make an argument.

A loan which conforms to the requirements outlined is worthy of a place

in the most exclusive bill-pouch. It is not intended to exclude that large line of loans based on undoubted collateral, but is intended to refer to that more important class which is connected with promoting the business interest of the community. It refers to the advances to the cattleman based on the herd which he expects to convert into beef; to the farmer who desires to pay his current expenses for seeding and harvesting to be repaid with the marketing of his wheat, his cotton or his corn. It includes loans to the manufacturer who must stock up with raw material to be converted into the finished product in the regular course of business. It includes loans to the merchant who has a stock of goods purchased in advance of his needs, and who prudently discounts his bills to repay his banker from current sales. It applies to the lumberman who desires to employ temporarily large additions to his capital to prepare his logs in the Winter to be converted into lumber during the balance of the year, and from the proceeds of which he will retire his obligations. It applies to the miller who must fill his bins and warehouse when wheat is offered to be converted into flour from day to day. It applies to the wheat-buyer, who is on a large scale marketing the products of the farmer in the consuming centres of the world. In fact, it applies to any and all of the great industries whereby value is to be added to raw material by the application of labor to change its form or its situs. Whether the commodity upon which the loan is made shall be reduced to actual or constructive possession depends upon a number of considerations, the most important of which are the personal character and integrity of the borrower, and his ability to handle the capital entrusted, temporarily, to his care. Doubts should be resolved in favor of the security, for, in each instance, it is the money of others that is in jeopardy, if danger there be. Security in possession is not practicable in many cases. The merchant or manufacturer has his capital in his goods and materials which are not available for security except under chattel mortgage, and that would defeat one of the main objects of his discounting his bills, that of maintaining a high credit rating. If the borrower is possessed of integrity and honor and his loan conforms to the definition, he will hold in sacred trust without legal formalities, that property for which the banker's money has been borrowed to enhance in value or prepare for market. It is in this connection that the banker must use the discriminating judgment which no text-book on banking can supply, and which comes from familiarity with local business conditions and intimate acquaintance with the personal habits, character and ability of his customers. The application of this rule would exclude all loans which have the character of a permanent investment in the business of the borrower.

Such is one of the dangers which constantly beset the counting-house, and one which must be guarded against most vigilantly by the banker who would keep his assets convertible to meet the demands that may be made upon him. The time of maturity of paper may not be specified as thirty, sixty or ninety days, but if not at a definite time, it should upon the definite happening of an event, which is of reasonable certainty of occurrence. Such, for example, as the maturity of a crop, the completion of a contract, the marketable condition of a herd of cattle, the shearing of a band of sheep, the conversion into lumber of a drive of logs. It is these indeterminate loans that bring disaster to more banks than any other one cause external to the bank. The banker who receives money from his depositors

repayable on demand, or at short notice, must be prepared at all times to meet a reasonable per cent. of his obligations. On the other hand, he owes a duty to his community as a banker to provide for all of the legitimate commercial demands for accommodation. To meet these apparently antagonistic demands calls forth the exercise of that judgment which is the characteristic of the successful banker. Some bankers operate on the theory that they will loan to the extreme limit allowed by law, and their bills receivable are at all times kept well up to or exceed their deposits. They operate on the theory that they will make all the profit possible, and if hard times come they will rely on their city correspondent to rediscount their paper to enable them to meet the demands of a decreasing deposit account. Is the game worth the candle? May not the lot of such a banker be comparable to that of the foolish virgins? When he applies to his reserve agent to carry him through the financial storm which finds him unprepared, his reply will be, "I know you not." A bank so conducted is taking too great a risk and throwing too much of the burden on his brother banker. Each should be a support to the financial affairs of the country rather than a drag, who must be provided for lest his fall endanger the whole financial fabric.

The first resource of a banker when his cash reserves begin to run low should be his bonds and other securities, while his customers should be disturbed as little as possible in their legitimate undertakings, yet the bill-pouch should be the banker's mainstay in meeting his obligations rather than to be put in the humiliating position of relying on another banker more prudent than himself. Some bankers argue, with a semblance of logic, that it is better to earn $50,000 profit and suffer $10,000 loss each year than to earn half the profit and suffer no loss. Such line of argument is fallacious, and its practice is suited to fair-weather banking only. When the stress of storm comes and the crash of financial houses causes him to examine more closely his resources, the liberal banker will be apt to find that about the same per cent. of his paper is bad as is represented by the proportion of annual loss to profits. In such a bank unsecured, indefinite overdrafts will abound and the most active account is likely to be the overs and shorts.

Lending with a View to Increasing the Bank's Business.

The requisite of a good loan having once been determined, the next question is, To whom shall these loans be made? Each loan should be made with a view of increasing the business of the bank. The loans should be to people who operate in the community in which the bank is doing business. In that way a large per cent. of the money finds its way back into the tills and is ready to do service again, while loans to persons operating at points remote from the location of the bank withdraw the funds from local circulation, and they can perform their duty but once. Political, religious, social and fraternal associations should have no weight whatever in determining the advisability of making a loan. Fortunate, indeed, is that banker who by genial disposition can attract many friends to himself and his institution, but it is unfortunate if such desirable traits of character render him amenable to the influence of the solicitation of friends, to the dethronement of cold, critical business judgment in passing upon all matters submitted to consideration in connection with his daily transactions. The banker is to

the highest degree a trustee. A trustee, first, for his depositors, who expect from him that inflexible and undeviating integrity that can always be relied upon under any and all circumstances; a trustee for his stockholders, who have entrusted him with the management of the enterprise they have launched with such hope of success and profit. In all of his dealings with the public this sense of trusteeship should be borne in mind, and the knowledge that in the execution of his sacred trust he should be held with even more strictness in his conscience and honor than ever the court of equity would exact in holding him to accountability for his actions.

Who Should Not Be Granted Loans.

While those to whom loans should be made might include all those who are engaged in legitimate enterprises in the community, or those who have undoubted security to offer, yet there are those to whom loans should not be made, and chief among these is the banker himself. The strenuous business life of to-day demands of each individual who would win success the application of all his faculties and all his energies to the fullest extent. The banker is usually a well-paid employee, and in return for his liberal compensation he should render to his institution the best there is in him. If interested in various speculations, in the promotion of enterprises requiring financial assistance, he is not in the position of one who can exercise that impartial decision so essential to the best result in credit rating. No man can judge himself justly. If the private enterprises of the banker require assistance, it would be far better that he apply to the counter of some other banker, who can refuse or extend credit based solely on the merit of the application. It would be better still, if the banker would confine his investments to lands, bonds or mortgages, which can be looked after with but little distraction from the business of the bank.

High Character of the Banker's Calling.

There is no more honorable career than that of a banker who worthily fulfills his duties. He stands high in his community, is respected for his integrity and is trusted and esteemed by his fellow man. Not even does the cloth hold a higher place. While there may be some persons who doubt the promise given to those who will "lay up their treasures where the moth doth not corrupt and where thieves do not break through and steal," yet few there be who deny the desirability of a good bank balance, even though they may not have the ability or faculty of acquiring one. Such being the high position of the banker, he should not jeopardize it by the misuse of his position to his own personal advantage.

Comptrollers of the Currency in their various reports to Congress have recommended legislation tending to prevent or restrict officers and directors of National banks from borrowing from the institutions under their charge. In the Fifty-sixth Congress, Representative Brosius introduced a bill to correct this abuse, but it failed of passage. The necessity for some stringent legislation on this point is fully demonstrated by Comptroller Ridgely's last report. In this report are listed the records of 418 National banks, which have failed since the inauguration of the system. The causes of failure, the amount involved, and the per cent. of loss, if any, are fully set forth in a series of valuable and instructive tables. The causes of failure are divided into

twenty-six classes, from A to Z, and judging from the great similarity between some of the classes, we may reduce the groups to seven, as follows:

F.—Excessive loans to others, injudicious banking and depreciation of securities	26
J.—Excessive loans to others, and investments in real estate mortgages	6
K.—Excessive loans and failures of large debtors	25
U.—Injudicious banking	21
V.—Injudicious banking and depreciation of securities	63
X.—Investments in real estate and mortgages and depreciation of securities	14
Y.—General stringency in money market, shrinkage in values and imprudent methods of banking	49
Total	204

The cause of failure of the remaining 214 banks covered by this report involves the management of the banks by reason of excessive loans to officers and directors, fraudulent management, and in some cases actual embezzlement. This is such a serious state of affairs that it justifies the Comptroller in his repeated warnings to Congress and in his urging remedial legislation. His efforts should be seconded by the bankers themselves acting through their National and State associations.

There is, however, a distinction to be made between loans to a Cashier or other executive officer of a bank, and loans to a director. The former should be absolutely prohibited, while the evil that has ensued from excessive loans to directors may be easily corrected by surrounding them with sufficient safeguards. To deprive directors of loans would work to the injury of the banks, because every bank seeks to get upon its board of directors the responsible, substantial business men of its community. It is a decided advantage to have men as directors who are engaged in active business, as they are more familiar with commercial conditions and needs. They are in position where their knowledge comes first hand; their judgment is based on their own information, and their advice is most valuable.

Loans to subordinates in a bank are undesirable. It is far better to have an inflexible rule which can be invoked to check such a request at the outset, than to have a refusal cause a diminution of that enthusiasm which characterizes the average bank employee towards his institution. Among no class of men is there such an admirable *esprit de corps* as among bank clerks. In no other class do you find organization the prime object of which is to make its members more efficient and more valuable to their employers.

The financial troubles that beset our country with each recurring season is not due to too little currency, but to the injudicious use of that we have. The *per capita* circulation of the United States is greater than that of any of the great commercial nations save France. The circulation increased from $2,260,000,000, or $28.66 *per capita* in 1902, to $2,532,000,000, or $31.02 *per capita* in 1904. The commercial reports, the daily press, the expressions of the leading bankers in the East, who are in close touch with conditions, assure us that in 1902 we passed the crest of prosperity. While business since has been good and conditions are healthy, yet trade is more conservative, and the speculators are restricting their operations. The clearing-house returns confirm the statement with a shrinkage of $9,000,000 from the highest point. In conformity with these conditions we would naturally expect,

with a lessening of business operations, there would be a decrease in the loan account of our banks, but in this the statistics do not bear us out. The loans and discounts of the National banks on February 25, 1902, were $2,982,489,300.89; February 6, 1903, $3,159,534,591.89; March 28, 1904, $3,254,470,858.74.

During the same period the mints of the country have been pouring a golden stream of coinage at a rate heretofore unprecedented in this or any other country for a similar period.

The Loan Account Should Be Kept Flexible.

The organization of new National banks has increased the bank-note circulation eighty million dollars. With diminishing trade activities and increasing currency, there should be a reduction of the bills receivable account of the banks to correspond, if the loans of the banks were of that liquid character that is deemed requisite. If the loans conformed to our rule they would automatically be reduced with lessened trade requirements. That the loans of many banks do not conform to this rule is patent to any one who will examine comparative statements, and find a bills receivable account that fluctuates in the upward direction only. The zeal for large dividends and big business spurs the banker on to take desperate risks, and to tie up his funds in investments that, while they may promise profit, are slow to realize upon, and their B. P. account is irreducible, to conform to business conditions. Liberal dividends are desirable and much appreciated by stockholders, but the smile of welcome which greeted the receipt of the liberal dividend check will have passed from memory long before the banker recovers from the frigid stare, which greets the request to refund some of these profits to make good losses incurred through undue risks.

If loans were made which depended upon the sale of specific commodities for their repayment, the time of settlement would not be indefinitely postponed, and the necessity for an emergency circulation would not press so earnestly upon us with each recurring crop season. It is not emergency circulation or increased circulation we need so much as greater flexibility in the loan account.

Some wag said of the original greenbacks: "They were like the Hebrew children—they were the issue of Abraham and knew not their redeemer." Of some notes it may be said they at least knew not the time of their redemption. Let the current loans be made to conform to legitimate needs; exclude the right of a banker to manipulate his trust funds to his private advantage, and the chief causes of failure will have been remedied and banks will come nearer fulfilling all of the demands that may be made upon them.

"As good as the bank" has become a truism and a standard with which to measure the highest responsibility and integrity. It should be the ambition of every banker that this should not be a meaningless phrase. To have safely and honestly conducted the affairs of a banking institution; to have worthily received the trust and confidence of one's fellow men is to have achieved success, and better than much gold is it to have left a heritage of an honored name and a record of a faithful execution of the highest trust. When the final summons comes to the good banker he can wrap the drapery of his couch about him, and lie him down to pleasant dreams, and confident of an awakening into the fullness of his reward.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

STATUTES OF THE SEVERAL STATES AND TERRITORIES RELATING TO TRUST COMPANIES.

During the past few years there has been considerable activity among the State lawmakers in the passage of laws relating to trust companies. At the meeting of the Trust Company Section of the American Bankers' Association, in 1897, it was stated that only nineteen of the States had general trust company laws.†

In 1904, thirty-two of the States and Territories have more or less complete trust company laws of a general nature. There are only four States which give no recognition to trust companies in their legislation. These are Florida, Nebraska, Nevada, and Oregon. All four have trust companies in operation, however, the number of companies bearing the name of trust company being reported in April, 1904, as follows: Florida, 5; Nebraska, 12; Nevada, 1, and Oregon, 6. In these States, no distinction is made between trust companies and other corporations, and they are formed under the general incorporation laws; or, if they do a banking business, under the banking laws, except in Nevada, which has no special banking laws.

In eleven States, namely, Alabama, Connecticut, Delaware, Maine, Maryland, New Hampshire, North Carolina, Rhode Island, South Carolina, Vermont and Virginia, trust companies are incorporated by special acts of the Legislatures. Most of these States have a few statutes relating to trust companies, placing them under the control of State authorities, fixing methods of taxation, and authorizing them to receive certain trusts. Alabama has no laws relating to trust companies by name, and its "guaranty companies" seem not to have ordinary trust powers. Maryland formerly had a general law for the incorporation of trust companies, but this was repealed in 1890. The preamble of the act of repeal sets forth that because of the changes in the character of trust companies since 1876 (when the general law was passed), and on account of the incompleteness of the general law, it had been necessary to incorporate trust companies by special act anyway, and that the latter method of incorporation is a proper one. In North Carolina, the "Insurance Act of 1899" provides for the formation of fidelity insurance companies, and gives to such companies power to act as guardian, trustee, assignee, receiver, executor or administrator, without giving bond. In a few of these States, trust companies may also be incorporated under the general corporation laws, but in most of them the special act is the only method by which such corporations may be formed.

In Iowa, trust companies are organized under the general incorporation

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

† Proceedings Trust Company Section, American Bankers' Association, 1897, p. 158.

laws with trust powers only, or under the banking law, if they are to undertake the banking business. Paragraph 1889 of the Code of 1895 gives trust companies limited Savings bank powers, except companies organized prior to 1886, which seem to be authorized to do both banking and trust business.

Among the purposes for which private corporations may be organized in South Dakota is to conduct the business of "loan, trust and guaranty associations," but there are no statutes defining the powers of such associations.

The thirty-two States and Territories having general trust company laws are Arizona, Arkansas, California, Colorado, District of Columbia, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin, and Wyoming. Indian Territory might be added to this list, for, while it has no laws of its own, it is, by act of Congress, governed by the laws of Arkansas. Massachusetts chartered trust companies only by special act of the Legislature, until May, 1904, when a general law was passed. Trust companies may also be chartered by special act in New York.

The general trust company laws of about two-thirds of these States include special provisions for the incorporation of such companies, while in the others the incorporation proceedings are conducted under the general incorporation laws or the laws for the incorporation of banks.

Number of Corporators Required.

The number of corporators required varies from three to twenty-five as a minimum, there being no maximum limit. The number is three or more in Arkansas, Indian Territory, Missouri, Montana, Oklahoma, and Texas; five or more in California, Colorado, Georgia, Idaho, Kansas, Louisiana, Ohio, Tennessee, Utah, Wisconsin, and Wyoming; seven or more in Kentucky, Michigan, New Jersey, and Washington; nine or more in North Dakota; ten or more in Indiana; thirteen or more in New York; fifteen or more in Massachusetts, Minnesota, and New Mexico; and twenty-five or more in the District of Columbia. In Arizona, in which trust companies are incorporated under the general incorporation law, any number of persons may incorporate.

Some of the States limit the number of directors that such companies may have, the minimum limit frequently being the same as the minimum number of corporators required. The number is from three to twenty-five in Montana; five or more in California, New Jersey, New Mexico, and Wisconsin; from five to eleven in Idaho; from five to fifteen in Kansas; from five to twenty-five in Missouri and Oklahoma; from five to nine in Wyoming; from six to twelve in Indiana; seven or more in Massachusetts and Michigan; from seven to thirty in Washington; from nine to thirty in the District of Columbia; from nine to twenty-seven in Minnesota; from nine to fifteen in North Dakota, and from thirteen to thirty in New York.

The Amount of Capital Stock.

The amount of capital stock which trust companies are required to have varies considerably in the different States, and is often gauged according to the population of the town or city in which the company is located. It is

naturally the smallest in States where the towns are apt to be small, though this is by no means an invariable rule. In Arkansas (and Indian Territory), the capital must be at least $50,000; in counties whose population is from forty to fifty thousand, it must be at least $75,000; in counties whose population is over fifty thousand, it must be at least $100,000. In California the capital must be at least $250,000. In Colorado it must be at least $250,000 in cities of the first class, and at least $50,000 in cities of the second class. In the District of Columbia it must be at least $1,000,000, and if the company does a storage business, at least $1,200,000. The minimum capital allowed in Idaho is $25,000. Illinois places the minimum at $25,000 in towns of less than five thousand inhabitants; $50,000 in cities of from five to ten thousand; $100,000 in cities of from ten to fifty thousand, and $200,000 in cities of over fifty thousand. In Indiana the minimum is $25,000 in cities of less than twenty-five thousand population; $50,000 in cities whose population is between twenty-five and fifty thousand, and $100,000 in cities of over fifty thousand population. Kentucky permits companies with a capital of $15,000 in counties whose population does not exceed twenty-five thousand; but the capital must be at least $50,000 in counties of from twenty-five to forty thousand population; at least $100,000 in counties of from forty to one hundred thousand, and at lease $200,000 in counties of over one hundred thousand population. In Massachusetts, the capital must be at least $500,000; unless the population of the city or town is less than one hundred thousand, in which case the capital may be as low as $200,000. In Michigan, the minimum is $150,000 in cities of less than one hundred thousand population, and $300,000 in larger cities. The minimum in Minnesota is $200,000. It is $100,000 in Georgia, Kansas, Louisiana, Mississippi, Missouri, Montana, New Jersey, North Dakota, Tennessee, Texas and West Virginia. In New York it is $100,000 in towns of less than twenty-five thousand inhabitants; $150,000 in cities of from twenty-five to one hundred thousand; $200,000 in cities of from one hundred to two hundred and fifty thousand, and $500,000 in cities of greater population. New Mexico requires a capital of at least $250,000, of which at least $100,000 must be paid in; and all must be paid up before a dividend is declared. Ohio places the minimum at $200,000. Oklahoma requires the capital to be at least $100,000 in towns of less than ten thousand inhabitants, and at least $200,000 in larger cities. Pennsylvania places the minimum at $125,000. In Utah it is $25,000, except for cities of the first class, in which it is $100,000. In Washington, the capital must be at least $25,000 in cities and towns of less than ten thousand inhabitants; at least $50,000 in cities of from ten to twenty-five thousand, and at least $100,000 in cities of over twenty-five thousand. Wisconsin makes the minimum $50,000 in cities of less than one hundred thousand inhabitants, and $100,000 in larger cities. Wyoming permits the smallest capitalization, $10,000 being legal in towns of less than one thousand inhabitants. It must be at least $25,000 in towns of from one to two thousand, $50,000 in towns of from two to five thousand, and $100,000 in cities of over five thousand inhabitants. These minima apply, of course, to companies doing a trust business; the minimum often being smaller for companies doing a banking business only.

Most of the States do not place a maximum on the capital allowed, but a few do. The maximum is $2,000,000 in Georgia, Minnesota, Mississippi and

Pennsylvania. It is $5,000,000 in Michigan and Wisconsin, and $10,000,000 in Missouri, Montana and Oklahoma. Massachusetts and Kansas place the limit at $1,000,000.

Powers and Capacities of Trust Companies.

The powers, or capacities in which trust companies may act, are much the same in different States and Territories having general trust company laws, save in the extent to which a regular banking business may be conducted. Such companies possess, of course, the powers generally granted to all corporations. The special powers are usually enumerated in detail; and in those cases where they are not so enumerated there is usually a provision authorizing them to undertake "any lawful trusts" and to conduct all "such business as is usually carried on by such companies."

There is evidence that the trust company laws of the State of New York have been taken as a guide in the construction of trust company laws in many of the other States. This resulted, no doubt, both from the fact that New York has long been the financial centre of the country, and because it was early in the field with a general trust company law, such a law having been passed in 1887. The fact that New York's laws have for many years served as guides in many lines of legislation other than financial must also have had its influence.

It will be useful to know in detail the provisions of the New York laws regarding the powers of trust companies, and the sections of the statutes giving these powers are therefore presented in full:

Powers of Trust Companies in New York.

(The words in italics in sub-Sections 1 and 11 were added as amendments in April, 1904.)

Section 156. *Powers of corporation.*—Upon the filing of any such certificate of authorization of a trust company, the persons named therein and their successors shall thereupon and thereby become a corporation, and in addition to the powers conferred by the general and stock corporation laws, shall have power:

1. To act as the fiscal or tranfer agent of any State, municipality, body politic or corporation; and in such capacity to receive and disburse money, to transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness, *and to act as agent of any corporation, foreign or domestic, for any lawful purpose.*

2. To receive deposits of trust moneys, securities and other personal property from any person or corporation, and to loan money on real or personal securities.

3. To lease, hold, purchase and convey any and all real property necessary in the transaction of its business, or which the purposes of the corporation may require, or which it shall acquire in satisfaction or partial satisfaction of debts due the corporation under sales, judgments or mortgages, or in settlement or partial settlement of debts due the corporation by any of its debtors.

4. To act as trustee under any mortgage or bond issue by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

5. To accept trusts from and execute trusts for married women, in respect to their separate property, and to be their agent in the management of such property, or to transact any business in relation thereto.

6. To act under the order or appointment of any court of record as guardian, receiver or trustee of the estate of any minor, the annual income of which shall not be less than one hundred dollars, and as depositary of any moneys paid into court, whether for the benefit of any such minor or other person, corporation or party.

7. To take, accept and execute any and all such legal trusts, duties and powers in

regard to the holding, management and disposition of any estate, real or personal, and the rents and profits thereof, or the sale thereof, as may be granted or confided to it by any court of record, or by any person, corporation, municipality or other authority; and it shall be accountable to all parties in interest for the faithfull discharge of every such trust, duty or power which it may so accept.

8. To take, accept and execute any and all such trusts and powers of whatever nature or description as may be conferred upon or intrusted or committed to it by any person or persons, or any body politic, corporation or other authority, by grant, assignment, transfer, devise, bequest or otherwise, or which may be intrusted or committed or transferred to it or vested in it by order of any court of record, or any surrogate, and to receive and take and hold any property or estate, real or personal, which may be the subject of any such trust.

9. To purchase, invest in, and sell stocks, bills of exchange, bonds and mortgages and other securities; and when moneys, or securities for moneys, are borrowed or received on deposit, or for investment, the bonds or obligations of the company may be given therefor, but it shall have no right to issue bills to circulate as money.

10. To be appointed and to accept the appointment of executor of or trustee under the last will and testament or administrator with or without the will annexed, of the estate of any deceased person, and to be appointed, and to act as the committee of the estates of lunatics, idiots, persons of unsound mind and habitual drunkards.

11. To exercise the powers and possess the privileges conferred on banks and individual bankers by sections fifty-five and fifty-six of this act, subject to the restrictions contained in said sections. No such corporations shall have any right or power to make any contract, or to accept or to execute any trust whatever, which it would not be lawful for any individual to make, accept or execute. No loan exceeding one-tenth of its capital stock, shall be made by any such corporation (directly or indirectly), to any director or officer thereof and such loan to such director or officer shall not be made without the consent of a majority of the directors. No such corporation shall transact its ordinary business by branch office in any city not named in its certificate of incorporation or charter as the place where its business is to be transacted. *No foreign corporation shall have or exercise in this State, any of the powers specified in subdivisions 1, 2, 4, 5, 6, 7, 8, 10 and 11, nor have or maintain an office in this State for the transaction of, or transact directly or indirectly, any such or similar business.*

Section 157. When any such corporation is appointed executor in any last will and testament, the court or officer authorized to grant letters testamentary in this State shall, upon the proper application, grant letters testamentary thereon to such corporation. When application is made to any court or officer having authority to grant letters of administration with the will annexed upon the estate of any deceased person, and there is no person entitled to such letters who is qualified, competent, willing and able to accept such administration, such court or officer may, at the request of any party interested in the estate, grant such letters of administration with the will annexed, to any such corporation. Any court or officer having authority to grant letters of guardianship of any infant, the annual income of whose estate exceeds one hundred dollars, may, upon the same application as is required by law for the appointment of a guardian of such infant, appoint any such corporation as guardian of the estate of such infant. Any court having jurisdiction to appoint a trustee, guardian, receiver or committee of the estate of a lunatic, idiot, or habitual drunkard, or to make any fiduciary appointment, may appoint any such corporation to be such trustee, guardian, receiver or committee, or to act in any other fiduciary capacity. Every court into which moneys may be paid by parties, or be brought by order or judgment, may, by order, direct the same to be deposited with any such corporation.

By amendments passed in 1898 and 1901, trust companies may add to the above powers those of safe deposit, title insurance and credit guaranty.

It will be seen that the powers here granted are very wide. Those fiduciary powers that are not specifically granted are conceded by the general power to accept appointment to act in "any other fiduciary capacity," so that in the State of New York, a trust company may act in any fiduciary capacity in which a natural person may act. The same broad powers are given to trust companies in most of the others of the thirty-two States above named, and are included in the special charters in most of the States creating such companies by special acts. The banking powers granted in New York are exceptional, however, and are granted in only a few of the other States, but by very liberal construction of the statutes trust companies frequently transact substantially a banking business in States where the statutes do not specify such powers.

CLAY HERRICK.

(To be continued.)

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

CHECK CERTIFIED IN VIOLATION OF LAW—RIGHTS OF BONA-FIDE HOLDER.

Supreme Court of Michigan, April 26, 1904.

UNION TRUST COMPANY vs. PRESTON NATIONAL BANK, OF DETROIT.

A bank which has certified a check is liable thereon to a bona-fide holder for value, though such certification was made in violation of a statute forbidding the bank to certify a check unless the amount thereof actually stands to the credit of the drawer upon the books of the bank.

Plaintiff brought this suit to recover a conceded balance of $21,581.11 owing by defendant to the City Savings Bank at the time plaintiff was appointed Receiver. Defendant sought to set off against this indebtedness the sum of $100,000, represented by a check drawn on the City Savings Bank January 24, 1902, by F. C. Andrews, payable to defendant's order, and certified in due form by the teller of the insolvent bank. It appeared that, at the time this check was certified, its maker, Andrews, instead of having funds to his credit in the bank, had overdrawn his account, as shown by the bank's books, "to the amount of $405,000." The defendant offered to prove that it received the check, after certification, on the day it was drawn. in the usual course of business, and paid to Andrews, the maker, full value therefor, and at that time had no notice or knowledge of any infirmity in the check, or of the fact that the account of Andrews was overdrawn. This evidence was excluded, on the ground that the check was invalid in the hands of a bona-fide holder, and a verdict directed for the plaintiff for the amount of the deposit in defendant's hands.

CARPENTER, *J.:* It is authoritatively settled and conceded that at common law the fact that the maker of a certified check had no funds in the bank affords no defense, if the check, negotiable in form, as in this case, has passed into the hands of a bona-fide holder. (See Merchants' Bank vs. State Bank, 10 Wall. 604; Farmers and Mechanics' Bank vs. Butchers and Drovers' Bank, 16 N. Y. 125.)

This case is not, however, to be determined solely by common-law principles. The correctness of the holding of the trial court depends upon the proper construction of certain statutory provisions in our bank act relative to the certification of checks. Section 6108, Comp. Laws 1897, being section 19 of the general banking act, reads: "It shall not be lawful for any officer, clerk, agent or employee of a bank to certify a check, unless the amount thereof actually stands to the credit of the drawer upon the books of the

bank, or to resort to any device, or receive any fictitious obligations, direct or collateral, in order to avoid the provisions of this prohibition; and any officer, clerk, agent or employee who shall attempt any such evasion shall, upon conviction thereof, be deemed guilty of a misdemeanor, and punished as provided in section fourteen of this act." Other sections of the banking act, viz., sections 14 (section 6103, Comp. Laws 1897) section 18 (section 6107. Com. Laws 1897), and section 58 (section 6147, Comp. Laws 1897), make the violation of section 19 a crime.

In constructing this act, we have not the benefit of decisions of other courts construing a precisely similar act, for, with the exception of the National Banking Act, which will be hereafter referred to, there is no similar act.

It will thus be seen that the certification in question was forbidden by law, and punishable as a crime. The statute does not, however, expressly declare that the check so certified shall be void in the hands of a bona-fide holder. Indeed, it does not expressly declare that it shall be void in the hands of one who is not a bona-fide holder. The fact, however, that the certification is forbidden and made a crime, compels the inference that the Legislature intended to avoid such certification between the original parties (see Heffron vs. Daly, 95 N. W. 714); and this, it is almost unnecessary to say, avoids it in the hands of every one not a bona-fide holder.

It by no means follows, however, because a contract made in violation of law—common or statutory—is void between the original parties, that, if given the form of negotiable paper, it is void in the hands of a bona-fide holder. Indeed, it is the distinguishing characteristic of the law of negotiable paper that when a contract takes that form it is not, in the hands of a bona-fide holder, subject to the defense which avoided it in the hands of the original parties. Negotiable paper in the hands of a bona-fide holder is not open to the defense that the contract from which it arose was illegal or forbidden by the principles of the common law. A note given to compound a felony is good in the hands of a bona-fide holder. (Clark vs. Ricker, 14 N. H. 44; Wentworth vs. Blaisdell, 17 N. H. 275.) Nothing less than a statutory enactment will subject negotiable paper in the hands of a bona-fide holder to the defense of illegality in its inception. What, then, is the effect of a statute which merely prohibits the making of a particular contract, and punishes its making as a crime? How shall we determine what consequences the Legislature intended should follow a violation of this law? Manifestly by applying in its construction the principles of the common law. "Statutes are not, and cannot be framed to express in words their entire meaning. They are framed, like other compositions, to be interpreted by the common learning of those to whom they are addressed—especially by the common law, in which they become at once enveloped, and which interprets their implications and defines their incidental consequences. That which is implied in a statute is as much a part of it as what is expressed." (Sutherland on Statutory Construction, § 334.)

[The Court here examined a number of authorities.]

We conclude, therefore, that, though the making of a contract is prohibited and made a crime by statute, yet that contract, if it takes the form of negotiable paper, is valid in the hands of a bona-fide holder for value. We think it also settled that negotiable paper in the hands of a bona fide

holder for value is not subject to any defense which would avoid it in the hands of the original holder, unless some statute, either expressly, or by necessary implication, so declares. We affirm the proposition, denied by plaintiff's counsel, that though the statute, "by necessary implication, make the contract made in violation thereof absolutely void as to non-negotiable contracts and as to negotiable contracts in the hands of persons having knowledge of the defects, yet * * * the statute will not be considered to have that effect, should the contract be negotiable in form, and be found in the hands of a bona-fide holder." No strength is added to the foregoing proposition by saying that the statute, by implication, makes void all non-negotiable contracts and negotiable contracts in the hands of persons having knowledge of the defect. For it follows from elementary legal principles that all such contracts are unenforceable if the original contract in the hands of the first parties thereto cannot be enforced. Nor is strength added to the proposition by saying that such contracts are "absolutely void." If they cannot be enforced in the hands of the original holders, we see no reason for quarreling with a person who chooses to call them absolutely void, though others might describe them as voidable. (See Thompson vs. Samuels [Sup.] 14 S. W. 143.)

It follows that plaintiff's counsel deny that negotiable paper can be enforced in the hands of a bona-fide holder for value, if it arises from a contract which by implication of law is void or unenforceable between the original parties. In our judgment, the principle so denied is a correct statement of the law. If it were otherwise, all negotiable paper arising out of illegal and forbidden transactions would be void in the hands of bona-fide holders for value, and yet nothing is better settled, by principle and authority, as we have already shown, than that such paper is valid.

There remains to be considered this question: Does the statute, by necessary implication, or by implication, even, make the check void in the hands of a bona fide holder for value? We have already seen that such implication cannot be found from the circumstance that the certification is prohibited and made a crime. It is insisted, however, that the intent of the Legislature to make the check void in the hands of a bona fide holder is indicated by other circumstances. It is contended that the purpose of the Legislature in enacting this law was "to protect the citizens, depositors and stockholders against just such an act as was committed in the case at bar," viz , an attempt to withdraw the funds of the bank by means of a check falsely certified, and that, to make this purpose effectual, the check must be held void in the hands of a bona-fide purchaser. If it were true that the sole purpose of the statute was to protect the depositors and stockholders of a bank against the criminal acts of its own officials, this argument would be very forcible. Are we warranted in declaring that the sole purpose of the Legislature in passing this statute was to protect banks and their depositors from the consequences of criminal misconduct of their officials, and that there were not other purposes, which would fail if plaintiff's construction of the act prevails? We must bear in mind that the Legislature, in passing this statute in 1887, had not learned the lessons taught by the disastrous failure of the City Savings Bank in 1902, which occasions this litigation, though counsel do not agree as to precisely what lessons are taught by this failure. We shall not, therefore, be materially aided—indeed, we are rather likely to be misled—if we look to

that disaster to throw light upon the legislative purposes. The Legislature has not, by this statute, expressly declared its purpose. Its purpose, then, is to be inferred. While we are bound to infer that one of its purposes was to protect the bank and its depositors from the criminal conduct of its officials, it is likewise to be inferred that there was a broader purpose, viz., to promote safe banking generally. We may infer the legislative purpose on the assumption that the law was made to be observed, as well as on the assumption that it would be violated. If the law is observed, we can readily see that it will benefit, and thus infer the legislative purpose to benefit, not merely the depositors and stockholders of banks whose officers are called upon to certify checks, but all persons taking such checks. In other words, the observance of this law tends to increase the certainty of the payment of certified checks and to promote safe banking.

In the case at bar the allowance of the certified check will inure to the benefit of the stockholders of defendant bank, and to the damage of the depositors of the City Savings Bank, represented by plaintiff. But the law we declare in this case will certainly apply to a case, if such a case should, as it may, arise, where the allowance of such a check inures to the benefit of the depositors of the bank which takes it, and damages no one but the stockholders of the bank, whose officials criminally certified it. Such a case would be presented here if the payment of the check under consideration would not sensibly impair the capital of the City Savings Bank, and if the funds withdrawn by its means from defendant had rendered it impossible for the latter to pay its depositors. And in such a case, under plaintiff's contention, the court should say that the Legislature intended to prefer the interest of the stockholders of the bank whose officers were guilty of criminal misconduct to that of the depositors of another bank damaged by such misconduct. We do not think we are warranted in imputing to the Legislature such an intent. We think it not improper to infer that it was the legislative purpose to protect the interests of stockholders and depositors of all banks, and not merely the stockholders and depositors of particular banks whose officials might be guilty of criminal misconduct.

The language of the statute prohibiting the certification does not compel the conclusion that its sole purpose was to protect the bank and its depositors against the criminal misconduct of its officials. Certification of a check is prohibited and made a crime "unless the amount thereof actually stands to the credit of the drawer upon the books of the bank." It will thus be observed that certification is forbidden even though the drawer has funds in the bank which do not stand to his credit upon the bank's books, and certification is not forbidden if the amount of the certified check is credited upon the books, though that credit is fictitious. In making the last statement, we have not forgotten that plaintiff contends that the statute does not forbid certification where the entry upon the book is fictitious.

But as stated above, we do not agree with this contention. The statute in such case forbids the fictitious entry. It does not forbid the false certifition resulting therefrom. In many cases the distinction might be unimportant. In others it might be very important. Suppose the bookkeeper or Cashier of the bank made the fictitious entry, and the teller, acting in the best of faith, relying thereon, certified a check. No reasonable construction of the act would make this certification a crime, or bring it within the

statutory prohibition. It will thus be seen that certification is prohibited in a class of cases where the depositors and stockholders of the bank whose officers violated the law cannot be injured, and it is permitted in a class of cases where they are injured. If the sole purpose of the act had been to protect the depositors and stockholders of the bank whose officers were guilty of this misconduct, different language would have been used. We are not, therefore, warranted in saying that this act was passed solely for the purpose of protecting the bank and its depositors from the criminal misconduct of its officers. We are not warranted in declaring that there was not a legislative purpose in passing this act which would be defeated by the construction contended for by plaintiff.

If the section is construed as plaintiff contends—if checks duly certified are void in the hands of bona-fide holders because the amount thereof did not stand to the credit of the drawer on the books of the bank—this consequence follows: Certified checks, instead of being, as heretofore, the negotiable paper of the bank, and passing as current upon the faith of the bank's credit, will pass, if at all, only upon the credit of the particular bank official who certified it. Every person to whom a certified check is offered will be called upon to determine, not the credit of the certifying bank, not the authority of the certifying official, but the integrity and diligence of that official. Though one may have all confidence in such integrity and diligence, he may hesitate to take the check, because he fears that others to whom he may wish to transfer it lack such confidence. It will result, therefore, that certified checks, instead of being regarded in commercial circles with credit and favor, as heretofore, will be regarded with a degree of suspicion, and are likely to be discredited. If the Legislature intended this consequence—and they must have intended it if they intended that the act should receive the construction contended for by plaintiff—it seems strange that they left their intent to be ascertained as a matter of doubtful inference; it seems strange that they still left to banks the power of certifying checks, without any clear suggestion that such power was so greatly limited. "If the Legislature intended the consequences claimed, we should expect it to say so." (Press Co., Ltd. vs. Bank, 7 C. C. A., at page 249, 58 Fed. Rep. 322.)

It results from these views that the trial court erred in denying defendant the right to prove that it received this check after certification, on the day it was drawn, in the usual course of business, and paid full value therefor, without notice or knowledge of any infirmity, or of the fact that the account of the drawer was overdrawn.

DEPOSITS BY AGENT—APPLICATION TO AGENT'S DEBT.

Supreme Court of Kansas, March 12, 1904.

KIMMEL vs. BEAN, *et al.*

A bank which receives from an agent for deposit in his own name the money of his principal, without notice of the agency, is protected in applying it to a past-due debt of the depositor, to the same extent as in paying it out upon his checks, whenever such application is authorized by the agent, either expressly or by legal implication, and such authority ordinarily arises from the making of a deposit, without other directions, where the debt to which it is applied is an overdraft.

On April 20, 1900, S. W. Kimmel, of Garber, Okla., shipped to a Wichita commission firm, known as the "Wichita Live Stock Commission Company,"

a carload of hogs, with directions to sell and send him the net proceeds by draft. The hogs were sold to Jacob Dold & Son on April 25, and the commission company at once mailed to Kimmel their personal check upon the Kansas National Bank of Wichita, where they had had an account for several years, for $1,016.16, being the amount for which the sale was made, less the commission and expenses. Dold & Son paid for the hogs, April 26, with a check made payable to the order of the commission company, drawn upon another Wichita bank. The company at once indorsed the check and deposited it in their bank, receiving credit upon their deposit account, and it was paid on the same day. Kimmel deposited the check sent him by the commission company with his local banker, and it was forwarded for collection through the ordinary banking channels, reaching Wichita May 1, when it was presented to the bank on which it was drawn, which refused payment. Kimmel then sued the bank for the amount of the check, alleging that the deposit of the proceeds of the sale of the hogs was made without his authority and in violation of his instructions, and that the bank knew all the circumstances connected with the transaction. The bank answered, denying knowledge of the relations of plaintiff and the commission company, and alleging that when the Dold check was deposited the company's account was overdrawn by more than that amount, that the overdraft had been permitted upon an agreement that it should forthwith be made good by deposits, and that the check when deposited was applied to such overdraft without notice of plaintiff's claim. The evidence was mainly directed to the question of the bank's knowledge of the commission company's business. The court held that upon the evidence the bank was to be deemed not to have had notice of the relations of the commission company to the shipper.

MASON, *J.:* The question presented is: Can a bank be held to account to the owner of a fund which has been deposited by an agent in his own name and applied upon the agent's overdraft, the bank having no knowledge of the agency? The strongest case cited in support of the contention of plaintiff in error for an affirmative answer to this question is that of Cady vs. South Omaha Nat. Bank, 46 Neb. 756, Id., 49 Neb. 125. The third paragraph of the syllabus reads: "F., a commission merchant, deposited in bank money realized from the sale of live stock consigned to him by C., his account with the bank being at the time largely overdrawn. Held, regardless of the question of notice, that the bank is accountable to C., and that it cannot apply the money so deposited in satisfaction of F.'s indebtedness." Under the evidence in that case, as stated in the opinion, it might well have been said that the bank was chargeable with notice, but no account was taken of this fact as a basis for the conclusion reached. In the opinion a number of cases are cited, one of which, Davis vs. Panhandle Nat. Bank (Tex. Civ. App.) 29 S.W. 926, seems to be entirely in point, holding that, where an agent deposits the money of his principal in his own name, the bank cannot hold it for the debt of the agent, although it has no knowledge of the agency, unless it would otherwise lose its claim.

No authorities are cited or arguments presented in support of this conclusion, the opinion merely stating that the court did not see upon what principle the bank should be allowed to retain the money, and that it was perfectly manifest that it had no right to do so. A brief review of the other cases cited will show that they do not go so far as the Nebraska decision.

In Pennell vs. Deffell, 4 De G., M. & G. 372, it was held that trust funds deposited by a trustee in his own name, together with money of his own, could be followed by the beneficiary, but the controversy was between the beneficiary and the executors of the trustee, the bank making no claim.

In Van Alen vs. American Nat. Bank, 52 N. Y. 1, the bank likewise made no claim to the money in controversy, and it was held that it could be required to pay it to the real owner, although it was deposited in the name of another, who gave the real owner a check for it. The questions discussed were purely technical.

In Burnett vs. First Nat. Bank of Corunna, 38 Mich. 630, an agent deposited funds of his principal in his own name. Some six months later he died, and the bank then attempted to apply the deposit to a debt of the decedent, the character of which is not shown in the reported decision. It was held that this could not be done, the case turning upon the fact that the agent never authorized the money to be applied to his debt.

In Third Nat. Bank vs. Stillwater Gas Co., 36 Minn. 75, it was merely held that money obtained by a bank by fraud could be recovered by the real owner, although it had passed through several hands. In Peak vs. Ellicott, 30 Kan. 156, the money involved was not paid to the bank as a deposit, but for a specific purpose, and as this was not performed it was held that on the insolvency of the bank it should go to the owner, and not to the general creditors.

In Baker vs. New York Nat. Ex. Bank, 100 N. Y. 31, it was held that a bank, having notice of the trust character of a fund deposited by a firm in their own name, with the addition of the word "agents" could not apply it to the debt of the firm.

In Whitley vs. Foy, 59 N. C. 34, the bank had actual notice that money deposited in the name of one person was owned by another; moreover, the controversy was between the real owners and the administrators of the depositor.

In Central Nat. Bank vs. Conn. Mut. Life Ins. Co., 104 U. S. 54, and Union Stockyards Bank vs. Gillespie, 137 U. S. 411, the facts were held to give the banks notice of the trust character of the deposits involved. First Nat. Bank vs. Hummel, 14 Colo. 259, cited on rehearing, 49 Neb. 125, was another controversy between the beneficial owner of a trust fund and the administrators of a trustee. In Hutchinson vs. Manhattan Co. (Super. N. Y.) 29 N. Y. Supp. 1103, a check was deposited by an agent for collection only, and it was held that the bank could not hold it for the debt of the agent, because this was contrary to the intention of all the other parties in interest, including the agent. The decision, moreover, was reversed by the Court of Appeals. (See 44 N. E. 775.)

In Clemmer vs. Drovers' Nat. Bk. (Ill.) 41 N. E. 728, the bank knew of the trust character of the deposit. These are all the cases cited on this branch of the case by the Nebraska court. The same doctrine is announced in 2 Morse on Banks and Banking, § 590, citing this case, that of Burnett vs. First Nat. Bank, 38 Mich. 630, which has already been commented upon, and Cook vs. Tullis, 18 Wall. 332, which only declares the right of the real owner of property to hold it against the trustees in bankruptcy of one to whose care it had been confided.

Plaintiff in error also cites Farmers and Merchants' Bank vs. Farwell, 58

Fed. 633, 7 C. C. A. 391. Expressions are found in the opinion in that case favorable to his contention, but the decision turned largely upon the fact that the money sought to be held by the bank did not reach it by any act of its debtor, or even with his knowledge, but was deposited in his name by his attorney through mistake.

A conclusion different from that of the Nebraska court is reached in Smith vs. Des Moines National Bank, 107 Iowa, 620, where the authorities bearing upon the matter are collected and reviewed. The scope of the opinion is indicated by a paragraph of the syllabus reading as follows: "A *cestui que* trust cannot recover trust moneys which were deposited in a bank by the trustee in his own name, and which, without notice of their trust character, the bank applied to a matured individual note of the trustee, surrendering the note to the latter." We think this decision is in accordance with the weight of authority and with the better reason. The facts there presented differed in no material respect from those now under consideration, except that the depositor expressly agreed that the bank might apply the deposit to his debt, and the bank surrendered the note which evidenced it. Where a depositor carries an account with a bank as a part of his usual business, continually drawing checks and making deposits, sometimes having a balance to his credit and sometimes being overdrawn, it seems clear that the mere act of making a deposit is equivalent to an agreement that it shall apply against any overdraft that may exist at the time. Presumptively that would seem to be the very purpose of the deposit. "It has long been settled that a banker who has advanced money to another has a general lien on all securities of the latter which are in his hands, for the amount of his general balance, unless such securities were delivered to him under a particular agreement limiting their application." (Wood vs. Boylston Nat. Bank, 129 Mass. 358.) "When a depositor opens an account in a bank, that very act, in the absence of an agreement to the contrary, authorizes the appropriation of his deposit balance to any matured claims the bank may hold against him, the same as if he then executed an agreement in writing to that effect." (Meyers vs. New York County Nat. Bank [Sup.] 55 N. Y. Supp. 504, 506.)

But if the general rule were otherwise, the circumstances of this case, already stated, would amount to an authority to the bank from its customer to apply the deposit to the overdraft. And there seems no just ground for making a distinction, for any purpose here involved, between the payment of a past-due debt that is evidenced by a note and the payment of one that is a mere matter of book account. No such distinction is made where the question relates to the consideration for the transfer of negotiable paper. (Draper vs. Cowles, 27 Kan. 484; Mann vs. Bank, 30 Kan. 422.)

Indeed, the very principle of protection to the innocent purchaser of commercial paper is invoked by defendant in error. The check deposited in this case was a negotiable instrument. The substantial controversy is as to its ownership. The bank acquired it from one who had the apparent title, without notice of any other claim. The argument that these considerations are sufficient to sustain the defendant's position seems sound. But the business was conducted as a cash transaction. The commission firm might have collected the Dold check themselves and deposited the cash in the bank, and the question presented would not have been materially different. The prin-

ciple upon which transfers of negotiable instruments in payment of, and even as security for, existing debts are upheld, is the desirability of promoting their currency. (Birket vs. Edward [Kan.] 74 Pac. 1100.) Surely no greater currency should be given to notes and bills than to actual money.

* * * * * * * * * * *

In addition to the authorities cited in Smith vs. Des Moines National Bank, see Bank vs. Bank, 60 Kan. 621; Goshen National Bank vs. State, 141 N. Y. 379; Holly vs. Missionary Society, 180 U. S. 284; and Meyers vs. New York County Bank, *supra*. The syllabus in the last-named case reads: "A bank, having previous authority to apply a customer's deposit to his debt, can appropriate it to his debt, though the deposit was, in part, money of the depositor's ward, the bank having no knowledge of the fact."

We think that a bank which receives from an agent for deposit in his own name the money of his principal, without notice of the agency, is protected in applying it to a past-due debt of the depositor, to the same extent as in paying it out upon his check, whenever such application is authorized by the agent, either expressly or by legal implication, and that such authority ordinarily arises from the making of a deposit upon an overdrawn account, when no other directions are given.

The judgment is affirmed. All the Justices concurring.

PAYMENT OF CHECK—MISTAKE AS TO IDENTITY OF PERSON NAMED AS PAYEE.

New York Supreme Court, Appellate Division, First Department, February, 1904.

GARDINER SHERMAN vs. THE CORN EXCHANGE BANK.

Where the drawer of a check for the price of certain horses made the same payable to the seller, but supposed he was another man of the same name, and the check was indorsed by the seller, and paid by the bank on which it was drawn, *Held*, that such indorsement was not to be regarded as a forgery, and that the bank could charge the same against the drawer's account.

McLAUGHLIN, *J.:* This action was brought to recover a sum of money alleged to have been deposited by the plaintiff in the defendant bank. The defendant pleaded payment, and at the trial, to sustain its plea, produced a check for the amount sought to be recovered, which was conceded to have been drawn upon it by the plaintiff.

The real issue tried was whether the indorsement of the name of the payee was genuine, and as bearing upon this issue it appeared that the plaintiff, by reason of an advertisement in one of the New York newspapers, announcing that certain horses and carriages were for sale at a livery stable, called at such place and saw one Strong, who represented that he was the coachman of J. L. Baldwin, the owner of horses; that Mr. Baldwin was a wealthy gentleman, connected in business with the Baldwin Locomotive Works in Paterson, N. J., and was then at Aiken, S. C.; that the horses had been driven by Mr. Baldwin's family during the preceding summer at Newport. After some negotiations the plaintiff purchased the horses, and in payment gave to Strong the check in question, which was made payable to the order of J. L. Baldwin. The horses not proving satisfactory, the plaintiff sought to stop payment of the check, but before he gave the defendant notice it appeared that the same had been presented to the bank by one Miller and paid by

crediting the same to his account. At the time it was paid it bore what purported to be the indorsement of J. L. Baldwin, as well as the indorsement of Miller.

Strong testified that a man calling himself J. L. Baldwin delivered the horses to him to sell, and that after he made the sale he delivered the check which he received in payment from the plaintiff to such person; that he saw such person indorse the name of J. L. Baldwin upon the back of the check and then deliver it to Miller, and as to the indorsement and delivery he was corroborated by Miller. He admitted that he had never been a coachman for Baldwin, and a fair consideration of his evidence, I think, would justify a finding that his representations to the plaintiff as to who was the owner of the horses was a pure fabrication, made for the purpose of inducing the sale.

But even if this be assumed, it does not aid the plaintiff, because the referee has found, and the evidence sustains the finding, that the check was given in payment of the horses purchased from J. L. Baldwin, and that J. L. Baldwin indorsed the check and delivered it to Miller. The fact that the J. L. Baldwin to whom the check was made payable was not the J. L. Baldwin whom the plaintiff had in mind is of no importance. He gave his check in payment of the purchase price of the horses, and he intended to make it payable to the owner. This he did and the owner indorsed it. (First National Bank vs. American Exchange Nat. Bank, 170 N. Y. 88; Robertson vs. Coleman, 141 Mass. 231; National Bank vs. Shotwell, 35 Kan. 360; Land Title and Trust Co. vs. Northwestern Nat. Bank, 196 Penn. St. 230; 50 L. R. A. 75 and note.)

In First National Bank vs. American Exchange Nat. Bank (*supra*) a man who falsely represented himself to be A. W. Hudson, the husband of Olive K. Hudson, made application for a loan upon property owned by Olive K. Hudson, and a trust deed as collateral security for the loan was prepared and sent to him at an address given by him. Shortly thereafter a bank in the city where the property was located received a note purporting to be signed by A. W. Hudson and Olive K. Hudson, and a trust deed signed by Olive K. Hudson, together with a letter signed A. W. Hudson, requesting it to collect the loan and remit the proceeds to A. W. Hudson. The mortgagee paid the amount of the loan to the bank, which remitted a draft on another bank for the proceeds, as directed in the letter purporting to be signed by A. W. Hudson. It was held that although the signatures to the note and trust deed proved to be forgeries, the draft was enforcible in the hands of a person who, in good faith and for value, purchased it from the person purporting to be A. W. Hudson, the person to whom it was sent, and for whom it was intended.

In Robertson vs. Coleman (*supra*) a person went to a hotel in the city of Boston and registered under the name of Charles Barney. Shortly thereafter he took a horse and carriage, of which he represented himself to be the owner, to certain auctioneers in that city, and requested them to sell it for him. He gave them his name as Charles Barney, and the auctioneers, believing him to be the person of that name who lived at Swanzey, sold the horse and carriage and gave a check in payment. The check was made payable to Charles Barney. The person to whom it was delivered indorsed it under that name, delivered it to the hotelkeeper in payment of his hotel bill, and

received the balance in cash. Shortly thereafter, the auctioneers, ascertaining that the horse and carriage had been stolen, directed the bank to refuse payment of the check—which it did. In an action by the holder it was held that he was entitled to recover, the court saying: "It is clear from these facts that although the defendants may have been mistaken in the sort of man the person they dealt with was, this person was the person intended by them as the payee of the check, designated by the name he was called in the transaction and that his indorsement of it was the indorsement of the payee of the check by that name."

In National Bank vs. Shotwell (*supra*) a person who said his name was Guernsey, represented that he was the owner of a quarter section of land and thereby obtained from one Shotwell a loan secured by mortgage on Guernsey's land and received from Shotwell a draft drawn to the order of Guernsey. He indorsed Guernsey's name on the draft and sold it to the bank. In an action by Shotwell to recover of the bank the amount received by it on the draft it was held that although Shotwell was deceived in the transaction, the person with whom he dealt was the person intended by him as the payee of the draft, designated by the name he assumed in obtaining the loan, and that his indorsement was the indorsement of the payee.

In Land Title and Trust Co. vs. Northwestern Nat. Bank (*supra*) a person who gave his name as Ashley called on one Dr. Herman S. Bissey, a resident of Philadelphia, representing that he desired to purchase a lot of land which Bissey owned; he got possession of the title papers and took them to a responsible conveyancer to whom he applied for a loan of $5,000 to be secured by a mortgage on the property. The conveyancer, believing the man to be Dr. Bissey and the owner of the premises, negotiated the loan. The mortgagee, desiring title insurance by the Land Title and Trust Company, deposited with it the amount of the loan, to be paid to the mortgagor when a valid mortgage should be executed. When the matter was ready for settlement, Ashley went with his conveyancer to the office of the company and was there introduced to the settlement clerk as Dr. Bissey. He signed the mortgage Herman S. Bissey, acknowledged it before a notary connected with the company and received from the clerk the company's check drawn on itself to the order of Herman S. Bissey. This check, indorsed Herman S. Bissey, was deposited in the Northwestern National Bank by a person who had opened an account with it as G. B. Rogers, and was collected by the bank of the trust company in the usual course of business. Whether Ashley and Rogers were the same person did not appear. Dr. Bissey, who owned the land upon which the mortgage was given, had no knowledge of the mortgage until called upon six months later for the interest. On discovering the fraud which had been practiced upon it, the trust company notified the bank and demanded the return of the money paid on the check, which was refused, and action brought. The plaintiff had a judgment, but on appeal the same was reversed by the Supreme Court, Justice Fell, who delivered the opinion, saying: "It is a perverted statement of the whole transaction to say that the check was intended for Dr. Herman S. Bissey, and that he alone was entitled to receive payment. Dr. Bissey had no more right to the check than had Ashley. He had given nothing for it. No one was entitled to it, and had the truth been known it would not have

been issued. Under the supposed facts on which the trust company acted, Ashley was the owner of the property; he had executed a mortgage and was entitled to payment. The clear intention was to pay him, although there was a mistake as to the facts on which the intention was based."

Applying the principle laid down in the cases cited it is clear that the conclusion reached by the referee is correct. Although the plaintiff may have been deceived as to who was the real owner of the horses, nevertheless the fact is undisputed that the check was given in payment therefor, was made payable to the owner, and under the finding of the referee it was indorsed by that person.

It follows, therefore, that the judgment appealed from must be affirmed, with costs.

VAN BRUNT, *P. J.*, INGRAHAM, HATCH and LAUGHLIN, *JJ.*, concurred. Judgment affirmed, with costs.

CASHIER—DRAFTS DRAWN TO HIS OWN ORDER.

Supreme Court of Nebraska, April 21.

MENDEL vs. BOYD.

The general authority of a Cashier of a bank does not authorize him to issue drafts of the bank for himself or for his private use.

When it appears that he has thus issued drafts, there is no presumption that they were paid for when issued, and the burden is on the party claiming that they were thus paid for to prove it.

The Cashier of a State bank in Iowa embezzled $18,000 of the funds of the bank. Herman Mendel, the plaintiff in this action, and another, were his bondsmen, and made good the shortage. A large portion of the funds thus embezzled were lost by the Cashier in gambling on the board of trade, through the defendant, who conducted a commission house. The plaintiff, by assignment, succeeded to the rights of his fellow bondsman in the premises, and brought this action against the defendant for the full amount of the Cashier's shortage to the bank.

ALBERT, *J.* (omitting part of the opinion): The six drafts mentioned in the foregoing instruction are the drafts which the defendant undertook to show by the expert had been paid for when issued. Some of them were signed by the Cashier, whose peculations gave rise to this action; the others, by the Assistant Cashier. All of them, however, were issued by the Cashier himself. It is well settled that the general authority of the Cashier of a bank does not authorize him to issue drafts of the bank for himself or for his private business. (Lee vs. Smith, 54 Am. Rep. 101; Anderson vs. Kissam [C. C.] 35 Fed. 699; Lamson vs. Beard, 45 L. R. A. 822; W. St. Louis Savings Bank vs. Parmele, 95 U. S. 557.)

This rule is founded on the familiar rule of the law of agency, which forbids that an agent shall act for himself and for his principal in one and the same transaction. It is founded on sound considerations of public policy, and the recognized inability of any person to faithfully serve two masters at the same time. Consequently, when the Cashier issued these drafts he did so without authority, and his conduct is to be viewed in no more favorable light than that of any other person who, without authority, appropriates the property of another to his own use. Such appropriation is commonly called

"conversion"—sometimes by a harsher term, and where it is shown, as in this case, there is no presumption that the wrongdoer has paid value or made restitution, and the burden is upon those claiming that he did to prove it.

INSOLVENT DEPOSITOR—DEPOSIT FOR CREDITOR—SET-OFF.

Supreme Judicial Court of Maine, February 27, 1904.

LYNAM *vs.* BELFAST NATIONAL BANK.

When a bank receives from a customer a deposit intended only for safe-keeping, to be ultimately appropriated for the benefit of all his creditors, and who was known by it to be insolvent, and the deposit was made in trust for that purpose, *Held*, that the fund is not subject to a set-off by the bank against the depositor's account, and that the fund belongs to the depositor's trustee in bankruptcy.

The Standard Granite Company became pecuniarily embarrassed and was insolvent on June 10, 1902. It sent to the defendant bank on that day a circular stating that it could not meet its obligations; that its property was under attachment, and a keeper in possession. On June 20, 1902, a meeting of its creditors was called for June 25, and was then held, at which the bank was represented. The company there stated its hope to pay twenty per cent. A committee was then chosen to procure a discharge of the attachments, if possible, and to arrange for a common-law assignment, and, failing in that, to commence bankruptcy proceedings.

Since June 20 the granite company had ceased to be a going concern, and all its efforts and that of the creditors had been to obtain an equal distribution of its assets. Pending these efforts it had $800 in cash, which it deposited in defendant bank, to which it was largely indebted, but did not intend it as payment to the bank, and "did intend that it should be held for its trustee in bankruptcy, when appointed," though no notice of this intention was given to the bank.

September 20, 1902, the granite company was decreed bankrupt, and plaintiff is its trustee.

Held, that all the circumstances satisfactorily show that this deposit was really in trust for the creditors, and that the bank had such knowledge and participation in the transaction as to render it chargeable as trustee of the fund for the creditors generally, and cannot set off its debt of the granite company against it, and that the plaintiff, as trustee in bankruptcy, of the granite company, is entitled to the fund, and can recover it in this action.

(Official.)

This was an action by the trustee in bankruptcy of the Standard Granite Company against the Belfast National Bank to recover a deposit of $800 made in the bank on September 6, 1902, after the granite company had become insolvent. Date of writ, August 4, 1903.

The points decided are stated in the official syllabus given above.

TENDER OF PAYMENT BY CHECK—WHEN SUFFICIENT.

Supreme Court of Minnesota, May 27, 1904.

KOLLITZ *vs.* EQUITABLE MUTUAL FIRE INSURANCE COMPANY.

The tender of a bank check in payment of a debt is good where it is refused, not on the ground that it is not lawful money, but on some other ground which is not well taken.

This was an action upon a fire insurance policy. The policy was delivered to plaintiff on February 22, and contained an acknowledgment of the receipt of the premium therefor, though it had not in fact been paid. On March 3, following the issuance of the policy, plaintiff's building was destroyed by fire, and he suffered damages by reason thereof to the amount of $1,400. The day after the fire, plaintiff rendered a statement of his loss to defendant in

the form of proof required by the terms of the policy, and at the same time mailed defendant a check for $84 in payment of the premium. The proof and check were received by defendant through the mail on March 6, and on the following day the check was returned by mail, with a statement that defendant refused to accept same, on the ground that, by the terms of the application under which the policy was issued, the premium was payable within ten days of the receipt of the policy; and, as it had not been paid within that time, the policy was not in force, and no liability attached thereunder.

BROWN, *J.* (omitting part of the opinion): The point made that the tender of the amount of the premium was by check, and not in money, and therefore insufficient, is not well taken. The check sent to defendant in payment of the premium was returned, not because it was a check, but because payment was made after plaintiff had suffered a loss, and at a time when he had no right to make payment of the premium. If it had been returned because of the fact that the payment was in the form of a check, defendant might be in position to claim that no tender of the premium had ever been made.

It is said in Hunt on Tender, 82, that it has long been settled, both in England and America, that the tender of a bank check in payment is good, where it is refused, not on the ground that it is not lawful money, but upon some other ground which is not well taken. The ground in the case at bar being, not that it was in the form of a check, but that plaintiff had no right to make payment of the premium at that time, the ground was not well taken, and the tender was good.

PROTEST OF PROMISSORY NOTES—STATUTE OF ILLINOIS.

Supreme Court of Illinois, April 20, 1904.

EWEN vs. WILBAR.

The statute of Illinois authorizes the protest of promissory notes.*

An objection that a certificate of protest relates to matters between other parties does not raise the question that the certificate is not proper in form.

This was an action upon a promissory note. Upon the trial the fact that the note had been presented for payment and had been dishonored was proved by a notary's certificate of protest.

HICKS, *J.* (omitting part of the opinion): The note had been protested, and when it was offered the plaintiff also offered the notary's certificate of protest. When this was offered, appellant's counsel said: "I object to the protest. The suit is not against Warren Ewen, the maker of the note, but it is against the guarantor, and the protest is not competent evidence."

The protest was attached to the note, and the note was offered in evidence without objection. It is now sought to raise the question that the protest could only be proved by a certified copy of the record required by the statute to be kept by notaries in such matters. That is not the question that was presented to the trial court. The distinction between the objection to evidence

*The uniform Negotiable Instruments Law provides: Where any negotiable instrument has been dishonored it may be protested for non-acceptance or non-payment, as the case may be; but protest is not required, except in the case of foreign bills of exchange. (Sec. 189, New York Act.)

because of its competency and because of its sufficiency is well defined. Had the objection now insisted upon been urged at the trial, appellee could doubtless have had the notary make the certificate it is now said was necessary (Herrick vs. Balwin, 17 Minn. 209); and to allow appellant to urge one objection upon the trial and another in this court would be to place appellee at an unfair advantage.

The objection that the certificate of protest related to matter between other parties than those to the suit, and was therefore incompetent, which was the one urged, is not within the contention that the certificate was insufficient. Appellant, having urged the single and specific objection, thereby waived all other objections. (Garrick vs. Chamberlain, 97 Ill. 620; Walcott vs. Gibbs, 97 Ill. 118; Newell vs. Woolfolk, 91 Hun, 211; Lallman vs. Hovey, 92 Hun, 419.)

It is further insisted that the note in question, being an inland bill, was not the subject of protest; that by the law merchant only foreign bills could be protested. This court is committed to the view that the statute in relation to the duties of a notary public has changed the common law in this particular, and that inland bills are now the subject of protest. (Montelius vs. Charles, 76 Ill. 303.)

NON-NEGOTIABLE NOTE—PAYMENT TO PAYEE AFTER TRANSFER.

Supreme Court of Kansas, April 9, 1904.

SYKES, *et al.* vs. CITIZENS' NATIONAL BANK OF DES MOINES.

Payment by the makers of the amount of a non-negotiable note before its maturity to the payees thereof, and its acceptance by the latter, without notice of a transfer of the paper, will discharge the makers from all claims of the transferee.

This was an action upon a promissory note in the following form:

"$3,636.83. New Murdock, Kansas, Sept. 22, 1899. Two hundred seventy days after date, without grace, for value received, we promise to pay to Ladd, Penny & Swazey, or order, thirty-six hundred, thirty-six and 83-100 dollars, at the office of Ladd, Penny & Swazey Live Stock Exchange, Kansas City, with interest after maturity, at 8 per cent per annum until paid. The makers and endorsers hereof hereby severally waive protest, demand, and notice of protest and non-payment in case this note is not paid at maturity, and agree to all extensions and partial payments, before or after maturity, without prejudice to holder.

R. A. SYKES & SON.

Due June 19—1900. No. of 1012.
P. O. NEW MURDOCK, Kans. 1543."

The note was indorsed as follows: "Notice, demand and protest waived. Payment guaranteed. Ladd, Penny & Swazey."

Defendants below (Sykes & Son) answered that on September 28, 1899, Ladd, Penny & Swazey, the payees of the note, indorsed and transferred it to the Citizens' National Bank, together with a chattel mortgage given by plaintiffs in error to secure its payment; that on March 28, 1899, the makers of the paper in good faith paid the amount thereof to Ladd, Penny & Swazey, who accepted the same, and gave plaintiffs in error credit therefor; that the payment was made without notice to the makers that the note had been transferred.

SMITH, *J.* (omitting part of the opinion): The note for the amount of which judgment was rendered was a non-negotiable instrument. (Bank vs. Gunter, 67 Kan. 227.)

It is evident that the court below regarded the note as negotiable, otherwise the demurrer to the original answer, alleging payment by the makers to

the payees, would have been overruled. The testimony admitted showed payment by Sykes & Son to Ladd, Penny & Swazey before the maturity of the paper. The payment was made by the shipment of cattle to the latter. The makers of the paper had no notice of its transfer on March 28, 1900, when the proceeds of the cattle shipped by them to Ladd, Penny & Swazey were placed to their credit in satisfaction of the debt evidenced by the note. That the note was not due did not affect the sufficiency of the payment. There was no objection on the part of the payees to receiving the amount prior to the maturity of the debt.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B., Barrister, Toronto.]

PRESCRIPTION OF BILLS OF EXCHANGE—SALE OF RIGHTS IN LITIGATION—BANK IN LIQUIDATION—LIMIT OF AUTHORITY OF CASHIER TO BIND BANK—STATEMENT OF FACTS.

BROSSARD VS. THE BANK DU PEUPLE AND DESERRES (Quebec Judicial Reports, 13 King's Bench, P. 148.)

The Banque du Peuple had become insolvent and its directors were authorized to liquidate its assets and wind up its affairs. Ultimately they sold the whole of the assets of every kind to the respondent Deserres, who was co-plaintiff with them in this action which they brought against Brossard and C. Lamoureux as being "C. Lamoureux & Cie," the makers. The action was entered on the last day before the two notes would have been outlawed. C. Lamoureux moved to have the action dismissed on the ground that his wife, Dame Malvina Huberdault, was "C. Lamoureux & Cie," and that he had nothing to do with that firm. Thereupon, the plaintiffs discontinued the action against C. Lamoureux and obtained permission to amend the pleadings by alleging that the bills had been signed by Dame Malvina Huberdault carrying on business in the firm name of "C. Lamoureux & Cie," but they did not add Dame Malvina Huberdault as a party defendant in the action.

The defendant contended that the pleadings as amended should be regarded as the commencement of the action, and that as the amended pleadings were filed after the term of prescription had run and that the bills were, therefore, outlawed. He also alleged that he had given to the bank as collateral security for the said bills certain policies of insurance, which they had undertaken to keep in force, but had allowed to lapse with a resulting loss to him of $15,000, a sum more than sufficient to pay the bank's present claim. Further, in defence, he alleged he had had continually an overdraft of $45,-000, upon which the bank had charged him eight per cent., instead of seven per cent; that the bank had conveyed its assets to its directors, who had immediately sold them to Deserres; that the claim sued on is a right in litigation which Deserres had acquired in this manner, and that he was ready to pay Deserres the price he had paid for these rights in litigation so soon as that price was established; and he claimed to receive the surplus of the damages claimed over the amount, which would be shown to be the price of the said rights in litigation.

The plaintiffs replied that the defendant could not have kept up the pay-

ments on the insurance himself; that the excess over seven per cent. charged the defendant should be applied on other debts to the bank previously contracted; that the plaintiff had not bought litigious rights, but the whole of the bank's assets, and even if among them there were certain litigious rights this would not invalidate the transactions as a sale of litigious rights; that it was, moreover, impossible to ascertain the proportion of the total price represented by the assets in question.

JUDGMENT (LAVERQUE, *J.*): The debt which is the basis of the action was not outlawed at the time the action was commenced, and the amendment made to the pleadings does not concern the defendant Brossard; his co-defendant, C. Lamoureux, raised the same plea, but judgment has already been given against him on the ground that the period of prescription was interrupted by the institution of proceedings.

At the time of the transfer of the policies of insurance to the bank it did not undertake to pay the premiums and, in fact, Brossard continued to pay them, while his financial position became so embarrassed that he could no longer do so. Brossard alleges that when he was no longer able to pay the premium the bank, through its cashier, undertook to do so, but we hold that it was not within the scope of the cashier's authority to enter into any such agreement on behalf of the bank. Even if it were otherwise we consider the proof tendered of any such agreement being entered into to be insufficient.

Were the agreement sufficiently proved and binding on the bank the failure of the latter to keep the premium paid up has not resulted in any clear and liquidated damages, or damages which could be ascertained with reasonable certainty, and certainly not such as could be set off against a clear and liquidated debt upon bills of exchange.

The proof that Brossard was charged eight per cent. on his overdraft, instead of seven per cent., is far from satisfactory, but as Deserres has consented to the reduction of his claim by one per cent. on the amount of the two bills of exchange, calculated for the whole period of the discount proved by Brossard, we give effect to that and find the amount payable to be $7,088.69. He is not entitled to receive back the excessive one per cent. on any discounts other than the two bills sued on herein, because he received from the bank the full amount of other bills discounted, less eight per cent., and has not repaid any of them; in an action on these bills it will be time enough for him to claim this reduction of one per cent.

With regard to the defence that the sale from the bank to Deserres was illegal, at any rate so far as this claim is concerned, as being a sale of rights in litigation, we find that at the date of the purchase by Deserres judgment had already been entered against C. Lamoureux, and the only plea then entered in defense by Brossard was that the notes were outlawed, which defence had been overruled as against Lamoureux. The defence of the invalidity of the sale to Desseres was entered subsequently and without withdrawing the other defence. This defence is only allowed when it puts an end to all other contests already commenced, and ought not to be considered when the defendant persists in fighting out other issues, nor unless the defendant proves the amount paid for the rights in litigation and offers to repay that amount; Brossard has failed in this proof and in offering the proper sum, with costs and interest.

The transaction between the directors of the bank and Deserres was the

sale by them to him of the whole of the assets of the bank, which included much valuable real estate and many debts, some, no doubt, uncollectible by reason of the insolvency of the debtors. Among these assets there might prove to be certain rights in litigation, but that does not give to the whole transaction the character of a sale of litigious rights and so render it invalid.

By 62-63 Victoria Ch. 123, the directors of the bank are bound to liquidate its assets; and by the Winding Up Act were at liberty to sell the assets by public auction or private sale to any person. The liquidation was necessary, and carried on in accordance with the law; the sale was in the nature of a judicial sale, and it would be repugnant to all ideas of justice to regard it as an invalid sale of rights in litigation.

Judgment in favor of the plaintiff for $7,088.69, with interest on $5,452.52 from the 20th of July, 1896.

Brossard appealed to the Court of Appeal from this judgment, and they sustained the appeal by deducting from the amount of the judgment pronounced above, the difference between one per cent. on the full amount of the overdraft during its currency and the one per cent. on the amount of the two bills allowed in reduction by the Superior Court.

JUDGMENT (COURT OF APPEAL): "During a period of fourteen years the bank have charged one per cent. more than was lawful on the appellant's account, which overcharge amounts to $3,136. This action was commenced two years after Brossard had assigned for the benefit of his creditors, and the bank claimed only on those two bills, and have not put in evidence of any other claims against which they would be entitled to retain the sum so overcharged. Both the bank and the defendant have now ceased to carry on business, and have not done business together for some years. The presumption, therefore, necessarily is that the bank has not any other claim against the defendant against which they would be entitled to retain this overcharge. The judgment pronounced against the defendant must be reduced by the difference between $3,136 and the sum already allowed him in reduction, and the respondents must pay the costs of this appeal."

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents - to be promptly sent by mail.

Editor Bankers' Magazine: SIOUX CITY, Ia., August 10, 1904.

SIR: One of our customers desires to use the following rubber stamp form of endorsement:

"Pay to Farmers' Loan and Trust Company, Sioux City, Ia.,
Or Order, for Deposit,
John Smith."

We should like to know if that is in any sense a restrictive endorsement? CASHIER.

Answer.—There is some conflict in the authorities as to whether an endorsement "for deposit" passes the title of the paper to the bank. But it has been assumed very generally that such an endorsement is restrictive, and for that reason its use has been discontinued in New York and other large cities. We can see no substantial legal difference between an endorsement in the form stated in the inquiry, and one in the form formerly in general

use "For deposit in the ——— ——— Bank, to the credit of ——— ———." If the words "for deposit" are to have any effect, they must make the endorsement restrictive; and if they do not have this result, then they are superfluous. In other words, they are wholly unnecessary unless it is to accomplish the very thing which it is desired to avoid.

Editor Bankers' Magazine: PENDLETON, Ore., August 15, 1904.

SIR: A party presents to a local bank a check on a bank in an adjoining city. Local bank takes check for collection and forwards same to their correspondent in city where check is payable; check is duly presented to the drawee bank and paid by them. The correspondent advises local bank of credit and the payee of the check receives his money. In the course of the next ten days the check is returned with notation that it is a forgery. Should the local bank be the loser? WESTERN BANKER.

Answer.—Prima facie, the drawee bank was bound to know the signature of the drawer, and unless it can show that there was fault or negligence on the part of the local bank, it cannot recover of such bank the money so paid. (Nat. Park Bank vs. Ninth Nat. Bank, 46 N. Y. 77; Bank of St. Albans vs. Mechanics' Bank, 10 Vt. 141.) But the constructive fault of the drawee bank in not knowing the signature of the drawer, and detecting the forgery will not preclude it from recovering from the local bank, if the latter took the check under circumstances of suspicion, without proper precautions. (First Nat. Bank of Danvers vs. First Nat. Bank of Salem, 151 Mass. 280; Deposit Bank of Georgetown vs. Fayette Nat. Bank, 90 Ky. 10; People's Bank vs. Franklin Bank, 88 Tenn. 299.) The question of liability, therefore, must depend upon all the circumstances of the case, and upon facts as to which we are not advised.

Editor Bankers' Magazine: PHOENIX, Arizona, July 21, 1904.

SIR: Kindly answer the following queries through your columns: (1) T. F. Brown draws his check in favor of a Government officer for $500, which check Brown has the bank certify. This certified check accompanies Brown's bid to the Government officer for certain work. His bid is accepted, he furnishes a bond, and the certified check is returned to Brown, or his bid is rejected and the certified check is returned, in either case not endorsed by the Government officer. Brown endorses this check to the order of the Valley Lumber Company, who in turn endorse it and deposit with the bank.

Does the bank run any risk in paying this check in this shape?

(2) A United States Indian Agent draws his check on a United States depositary, payable to the order of Smith & Jones, a firm. This check is endorsed by Jones as follows: "Smith & Jones." The bank refuses payment, stating: "Must be endorsed by a member of the firm, *stating that fact in the endorsement, i. e.*,

Smith & Jones,
By ——— ———, (Member of firm.)"

We do not interpret the Government rulings on endorsements to mean this. Is not the endorsement on the check perfectly correct and regular? CASHIER.

Answer.—(1) In such a case the question would be whether or not the check had come back lawfully into the possession of the drawer. If it was returned to him by the payee, then he would have the right to surrender it to the bank, and the bank could cancel its certification and give him credit for the amount. But if, instead of returning it to the bank, he sees fit to endorse it over to a third person, such endorsement is equivalent to a direction from him to the bank to pay it to that person, and as between him and the bank he could not be heard to complain that the bank had done what he directed it to do. In other words, the effect would be precisely the same as if such endorsee had been originally named as payee. But, of course, after

delivery of the check, the bank incurred a liability to the holder upon its certification, and, therefore, could not safely pay the same upon the direction of the maker, unless satisfied that the payee had relinquished all his rights therein. (2) An endorsement in the same form as that in which the payee is designated on the face of the check is legally sufficient under the rules of the commercial law. But the practice of the Treasury Department may require something further.

Editor Bankers' Magazine: LOUISIANA, MO., August 11, 1904.

SIR: Please tell me what a banker should do under the following circumstances: A subcontractor made his estimate for certain work to be done on a pine board. The estimate was accepted and when the work was completed he demanded his money. The contractor mislaid the plank upon which the estimate was made and believing the bill too much, first refused to pay, but when pressed for settlement said, you made your estimate on a plank, so I will pay you likewise. He wrote a check on a plank about 6 inches by 18 inches by 1 inch thick, properly dated and worded, payable to the man's order, which was properly endorsed and presented to the bank for payment. I paid it. Did I do the proper thing, or could I have refused to have done so, were I so inclined? R. H. GOODMAN, *Cashier.*

Answer.—While an instrument in this form would not be a negotiable instrument, yet as between the bank and the drawer, it would be a sufficient authority to authorize the bank to disburse the funds of its depositor; for it is not necessary that such orders should be given in any particular form. But we do not think the bank would be *required* to pay upon such an order. When a customer opens an account with a bank, he does so with reference to the usual practice which prevails in such business, and the bank has a right to require him to conform to reasonable usage, and writing orders upon wooden boards or planks would certainly not be regarded as reasonable. A bank could not be expected to have its files turned into a lumber yard.

NOTICES OF NEW BOOKS.

REVUE ECONOMIQUE INTERNATIONALE, May, 1904. Paris, Felix Alcan; New York agent, G E. Stechert, 9 East 16th Street. ($11.50 per year.)

A new publication of decided value to both economic and political students is the "*Revue Economique Internationale,*" of which the first number appeared in March last. The new review is what the name implies—a presentation of problems regarding international politics and finance of interest to statesmen and scholars in all countries. While the text is printed in French, there are summaries of the leading articles in both English and German to enable the reader who is not very facile in the text to get an idea whether the article is of interest enough to read or have translated.

The high character of the contributors may be judged from such names as those of Paul Doumer, formerly Governor General of Indo-China and the most serious rival of M. Combès for head of the French cabinet, who writes in the May number on the crisis in the extreme Orient; Emile Levasseur, one of the most eminent living French economists, who introduced the first number of the periodical with a survey of the evolution of economic doctrine and interest in France; Sir Vincent Caillaird, President of the National Bank of Egypt; Gustave Schmoller, the eminent German economist, and many others of similar high standing.

In addition to special articles, there appear in each number general reviews of economic progress, financial events, industrial and commercial developments and maritime and scientific news. The publication is one which will be almost essential to the scholar, statesman or financier who desires to keep abreast of the best thought regarding economic and political developments throughout the world.

A GLUT OF GOLD.

[From "Monetary Problems of 1904," by W. R. Lawson, London.]

A glut of gold, come when it may, will in its essential features, resemble the memorable glut of silver, which even the United States Congress had to surrender to. We may require longer to disillusionize than the Americans did, as our Issue Department and other devices for disguising the fact that gold is being hoarded and not used have a strong hold on the commercial public. But as the gold accumulates on one side of the bank, the notes issued against it accumulate with almost equal rapidity on the other. A double waste is going on, for if the bank simply bought the gold and stored it, the cost of printing and issuing the notes would, at least, be saved.

A stronger objection than waste lies in the fortuitous character which the arrangement of 1844 gives to the bank reserve. No two authorities can agree as to what sort of a reserve it really is—whether a metallic reserve or a mixed reserve; a currency or a banking reserve; the bank's own proper reserve or a central reserve, which all the other banks have a reversionary interest in. Lately there was a strong movement at the Institute of Bankers on behalf of a new supplementary gold reserve. Fifteen or twenty millions sterling was the amount suggested for it, but who should find the money—the Bank of England, the joint-stock banks, or the Treasury—is still a "controversial matter."

Before adding to the number of our banking reserves it might be wise on the part of the banks to come to a better understanding among themselves as to those they already have. Grave questions might be asked concerning them, as, for instance, To what extent do they fulfil their original object, or how far have they departed from it? What new and unforeseen conditions have they had to adapt themselves to? What new responsibilities have been imposed upon them? The bank reserve of 1904 is a very different thing from the bank reserve of 1844. It has not only larger and more varied duties to fulfil, but incongruous services are required of it which no single fund can adequately perform. It has to be, in fact, a threefold reserve, first, for domestic currency; second, for bank deposits; third, for international engagements.

These bank reserves, on which so much depends, may be defective, not merely in quantity, but also in quality. Bankers as a rule look to quantity only. "More gold!" "More gold!" is their one cry. But gold is not invulnerable any more than silver was. It is in much the same position to-day as silver was 30 years ago. Precisely the same causes and influences are working against it, and the end will be the same. The legal, or conventional, value of a monetary metal can only be maintained so long as it does not materially exceed the commercial value. In the case of silver, when the two values diverged sufficiently the so-called silver standard snapped. In the case of gold the same process of divergence between the conventional and commercial values has begun, and when the breaking point is reached the so-called gold standard will snap. The breaking point might have been reached ere now, but for the huge hoards of gold which the treasuries and the State banks of Europe are accumulating. Europe is unconsciously preparing for a counterpart of the American silver crisis of 1893—for a yellow scare, instead of a white one.

CROP AND BUSINESS CONDITIONS IN THE SOUTH AND MIDDLE WEST.

James H. Eckels, President of the Commercial National Bank, of Chicago, and former Comptroller of the Currency, has collected and issued, under date of August 11, interesting and valuable information in regard to crops and general business conditions in parts of the South and Middle West. The territory covered embraces all that portion of the United States lying between Ohio on the east, Kansas and Nebraska on the west, and extending north and south from Canada to the Gulf. In his preface to a summary of the reports received, President Eckels says:

"The collection and compilation of information, in mid-summer concerning crop and business conditions in the agricultural section of the United States, was undertaken originally by this bank for its own benefit, and for the purpose of gauging accurately in advance the extent of the demands which legitimately might be made upon the resources of the bank for the purpose of harvesting and moving crops to their primary markets. This was done by us in recognition of the fact that exactly in the proportion that we anticipate those demands and meet them, we are fulfilling, in its larger meaning, the proper functions of a commercial bank.

The information naturally was sought from our own correspondent banks: not only because we felt in close touch with them, and therefore at liberty to seek such information at their hands, but also because we knew that the reports would be accurate and reliable. The banker in each community, however small, must of necessity know thoroughly the conditions in his own locality. Such knowledge is vital to him; and, for that reason, he may with certainty be depended upon to possess it. * * * In abstracting these reports and submitting the analysis to our patrons and to the public, we do so in the belief that they have been conscientiously made to us, and that they are entirely trustworthy. But it should be borne in mind that all crops, until actually harvested and garnered, are subject to so many eventualities that any estimate as to the ultimate yield, however close and accurate at the time of making, is, after all, neither more nor less than an intelligent guess, and is entitled to confidence to that extent, and no further.

The chief value of this report lies, therefore, in the knowledge that the estimates have been made by local experts, and are based on local conditions. There is some further value, however, to be derived from the knowledge that most crops are now so far progressed that (with the exception of wheat in certain localities in the Northwest) no widespread disaster need be feared."

Crop Summary.

In answer to inquiries regarding crop conditions and prospects in the States of Alabama, Arkansas, Georgia, Illinois, Indiana, Indian Territory, Iowa, Kansas, Kentucky, Louisiana, Michigan, Oklahoma, South Dakota, Tennessee, Texas, and Wisconsin, replies were received from the Presidents or other officers of one thousand and forty-two banks in as many separate communities. Their estimates regarding the condition and probable yield of all crops have been summarized separately for each State, as well as for several groups of States; and the total yield for all States, expressed in percentages, are compared with the previous year.

Throughout the Middle West crops were retarded by cool nights; and unfavorable weather in the early season necessitated replanting in many localities. Despite this fact, all crops, with the exception of wheat, will show an increase over last year. Corn will average 16 per cent. better; oats, 19 per cent.; rye, 11 per cent.; barley, 20 per cent.; and cotton, 14 per cent. better.

Wheat: The condition of wheat in the Northwest is such at present as to make any estimate as to total yield wholly valueless. Spring wheat early gave promise of a large increase in yield, but unfavorable weather conditions produced rust, which appeared late in July and is now spreading over a wide area. The damage already done is great; even more serious disaster is threatened and seems imminent. The section suffering the greatest damage thus far is the centre of the spring wheat district—the eastern counties of South Dakota, southern and west central Minnesota and considerable portions of southeastern North Dakota.

Although rust has appeared in eastern Minnesota, it is thought now to be too late to do much damage to the crop. On the whole, it must be admitted that the damage already sustained throughout the Northwest is serious; but we are of the opinion that the extent of the damage is over-estimated. One of the best authorities in Minnesota, under date of August 8, answering our telegraphic inquiry, replied as follows:

"Impossible at present to give an intelligent opinion as to the outcome of Northwestern wheat crop. Considerable damage in South Dakota, southern Minnesota and limited area in North Dakota from rust. Northern crop ten days to two weeks late. If heavy frost holds off until after fifteenth and rust does not spread, should raise fully as much wheat as last year. Any estimate as to total yield at this time absolutely valueless. Oats and barley splendid crop; practically out of harm's way. Flax area small compared with last year; condition excellent."

Concerning conditions of winter wheat, four States—Illinois, Iowa, Missouri and Wisconsin, show better average conditions than last year. In Ohio, Indiana and Michigan wheat suffered from severe winter weather; in Indiana, the crop will prove almost a failure. In Kansas and Nebraska much damage was caused by excessively wet weather early in the season, and later by rust. The average decrease in the yield of winter wheat is estimated at 7 per cent., as compared with the previous year, but this estimated shortage is probably none too large. In the Southern and Southwestern States, the wheat crop is not so important, but an average increase of 5 per cent. is reported for the entire section. Texas, however, shows a decrease of 12 per cent., but it should be remembered that Texas produced a wheat crop last year more than double that of the previous year. This was due to the large increase in acreage, as well as to a fifty per cent. better yield.

CORN: The outlook for corn is excellent. In Missouri, where the crop suffered from too much rain early in the season, a decrease of 12 per cent. is estimated; in Michigan, 7 per cent. less; but the average increase in twelve of the principal corn producing States will be about 15 per cent. over 1903. In the South, the prospect for corn is most favorable. In Texas the yield this year is estimated at 25 per cent. in excess of 1903, which crop in that State was three times as large as the crop of 1902. In Oklahoma, the yield is estimated at 53 per cent. in excess of the previous year; while the average condition of corn in all the Southern States is 17 per cent. better than last year.

OATS: The average condition of oats is 19 per cent. better than last year, but the total yield will still be 10 per cent. short of 1902. Oats in Kansas show a decrease of 10 per cent., and in Alabama and Oklahoma 10 to 15 per cent. decrease. In Georgia the condition is about the same as last year. In all other States better average conditions appear, ranging from 4 to 40 per cent.

RYE AND BARLEY: The production of rye and barley will be larger than last year by approximately 11 per cent. in rye, and 20 per cent. in barley. Ohio reports 7 per cent. and Michigan 5 per cent. decrease in rye; while Kansas reports 46 per cent. decrease in rye and 28 per cent. in barley. All other rye and barley producing States report better average crops than last year.

COTTON: The cotton crop for the entire South averages 14 per cent. better than 1903. It is a notable fact that in no single State do present conditions justify an estimate of a decrease in the yield as compared with last year's crop. Alabama reports an increase of 15 per cent.; Arkansas and Georgia, 9 per cent.; Louisiana, 15 per cent.; Mississippi, 7 per cent.; Missouri, 22 per cent.; Tennessee, 24 per cent.; Texas, 18 per cent.; Oklahoma, 26 per cent.; and Indian Territory, 2 per cent. With the exception of a small area in Louisiana, the only injury thus far sustained from the ravages of the boll weevil is in Texas. Here the presence of the boll weevil, as well as the boll worm (which is an entire distinct pest) is reported, but on account of favorable weather conditions and more watchful care on the part of farmers, the damage will not be so great as last year. The crop is from two to three weeks earlier than last season.

BUSINESS SUMMARY.

In addition to inquiries relating to crops, our letters to interior banks embraced a number of questions concerning local business conditions, the financial position of banks and the establishment of new enterprises in their respective localities. Similar inquiries were sent also to every bank and banker in forty-two of the leading cities and towns in the States named. Replies were received from one thousand three hundred and forty-two interior and city banks. These reports, almost without exception, indicated that the banks are now well prepared to finance the maturing crop. There has been less land speculation than heretofore among the farmers. In a few instances, only, has speculation been mentioned as exercising unfavorable influence on local conditions. A few correspondents went so far as to express the opinion that their own local conditions had been benefited by such speculation. In many sections farm lands are increasing in value, and almost without exception farmers are said to be prosperous.

The prevailing condition of trade at interior points is satisfactory, and collections are reported as good as last year. In the larger cities business in most lines is quiet, and shows a falling off in volume as compared with the previous year. Bankers report generally a fair demand for money, but none reported an excessive demand. Deposits now are practically stationary, but the aggregate amount of deposits held by country banks at present is greatly in excess of the amount held one year ago, and especially so in the South.

Reports concerning new enterprises were unsatisfactory. A majority of banks made no reply to that question, while about one-half of the remainder reported no noteworthy enterprises started within the past year. About three hundred banks have reported new enterprises, representing aggregate investments of about $50,000,000. Of these enterprises, almost exactly one-half in number and in amount of investments were reported from eight cotton producing States in the South. Although this information is not sufficiently complete to form accurate conclusions, it is safe to estimate that at least $100,000,000 has been invested in new industries at the South during the past year. A very large proportion of this, no doubt, is the direct result of the splendid crop of cotton last year and the high prices realized for it. With another such crop this year, the further and rapid industrial development of the South seems assured.

The impending political campaign does not appear thus far to have caused any apprehension among business men, and there is not observed anywhere an unusual amount of caution or conservatism traceable to such influence. A pertinent comment, and we believe a correct resume of the whole business situation was made recently by a commercial agency, which stated: "The outlook, while cheerful enough in the main, needs definite assurances of good crops and of settled labor conditions." It now appears that fairly good crops are well assured, and it would seem that if labor conditions were more satisfactory at the industrial centers, there would remain no obstacle to general conditions of good business and of prosperity.

European Bankers Aiding Exporters.—The Credit-Anstalt, the largest banking institution of the Austrian Empire, has contributed, as a silent partner of the concern, 1,000,000 crowns ($203,000) to the working capital of the exporting firm of Alois Schweiger, of Vienna. This firm, having a capital of its own of 500,000 crowns ($101,500), is engaged in exporting Austrian manufactures to China and Japan. With its capital increased, it will now open branch offices in Hamburg, London, China, and Japan. This firm was the pioneer for the Austrian export trade to eastern Asia. In Europe the banks are the backers, in many cases the prime movers, of great ventures, such as the construction of railroads at home and in foreign countries, the establishment of steamship lines and financial institutions, colonization enterprises, the operating of mines, and the promoting of factories and industrial undertakings in foreign countries. It is due largely to this financial aid by their great banking institutions that Germany, France, Belgium, and Switzerland have secured such large business interests in foreign countries, thereby giving employment to manufacturing interests at home and benefiting home capital.—Richard Guenther, *Consul-General, Frankfort, Germany.*

Problems of Capital and Labor.—In his speech accepting the Republican nomination for the Presidency, Mr. Roosevelt said:

"We recognize the organization of capital and the organization of labor as natural outcomes of our industrial system. Each kind of organization is to be favored so long as it acts in a spirit of justice and of regard for the rights of others. Each is to be granted the full protection of the law, and each in turn is to be held to a strict obedience to the law; for no man is above it, and no man below it. The humblest individual is to have his rights safeguarded as scrupulously as those of the strongest organization, for each is to receive justice, no more and no less. The problems with which we have to deal in our modern industrial and social life are manifold; but the spirit in which it is necessary to approach their solution is simply the spirit of honesty, of courage and of common sense."

AMERICAN BANKERS' ASSOCIATION.

THIRTIETH ANNUAL CONVENTION, TO BE HELD AT THE WALDORF-ASTORIA, NEW YORK CITY, SEPTEMBER 14, 15 AND 16, 1904.

Delegates and Visitors will please register at the Secretary's temporary office at the Waldorf-Astoria.

ORDER OF PROCEEDINGS.

(Subject to change by vote of the Executive Council, or by vote of the Convention.)

FIRST DAY, WEDNESDAY, SEPTEMBER 14, 1904.

Convention called to order at 10 o'clock A. M., by the President, Mr. F. G. Bigelow.

Prayer by the Right Rev. Bishop Potter, D.D., LL.D.

Roll call.

Address of welcome to the City of New York by the Hon. George B. McClellan, Mayor.

Address of welcome to the American Bankers' Association by Mr. James Stillman, President New York Clearing-House, on behalf of the bankers of Greater New York.

Reply to addresses of welcome, and annual address by the President, Mr. F. G. Bigelow.

Annual report of the Secretary, Mr. James R. Branch.

Annual report of the Treasurer, Mr. Geo. F. Orde.

Report of the Auditing Committee.

Report of the Executive Council, by the chairman, Mr. John L. Hamilton.

Report of the Protective Committee.

Report of Committee on Fidelity Insurance.

Report of Committee on Currency Legislation, by the chairman, Mr. James M. Donald.

Report of Committee on Uniform Laws, by the chairman, Mr. F. E. Tracy.

Report of Committee on Bureau of Education, by the chairman, Mr. J. B. Finley.

Report of Committee on Bank Money Orders, by the chairman, Hon. A. B. Hepburn.

Practical Banking Questions.

(Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

1. The Money Situation—Address by Hon. A. B. Hepburn, President Chase National Bank, New York city.

SEC. 2. Immediately after the first adjournment that occurs in the session of the annual convention, the delegations from each State and Territory shall meet, at which several meetings the respective vice-presidents of the States and Territories, if present, shall preside, and these meetings of representatives from the States and Territories shall each select a member who shall, with others so selected, constitute and be a Committee on Nominations. The committee may make its report at any subsequent session of the convention, but its nominations shall not exclude the name of any person otherwise nominated in the convention. The delegates from the several State Banks and Bankers' Associations shall assemble and meet apart after the first adjournment, and, in such manner as they may determine, shall nominate to the convention five names for members of the Executive Council, who shall be members of this association, provided that no State association shall thus be represented by more than one member of the Executive Council. No delegate from any State Association shall, how-

ever, be eligible unless he is a member of the American Bankers' Association. The elections for president, first vice-president and for five members of the Executive Council to be chosen by the association shall be by ballot, unless otherwise ordered.

SECOND DAY, THURSDAY, SEPTEMBER 15, 1904.

Convention called to order at 10 o'clock A. M., by the President, Mr. F. G. Bigelow.

Prayer by Monsignor M. J. Lavelle, St. Patrick's Cathedral, Vicar-General.

Announcements.

Practical Banking Questions.

(Discussion limited to thirty minutes for each topic: open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

2. Emergency Circulation—Address by Mr. A. J. Frame, President Waukesha National Bank, Waukesha, Wis.

3. The Western Banker—Address by Mr. W. C. Robinson, President First National Bank, Winfield, Kansas.

4. Banks and Trust Companies—Address by Mr. Eugene E. Prussing, Chicago, Ill.

Call of Sections, North, South, East and West. Statements limited to five minutes by bankers on the general condition of business in the various parts of the country from which they come.

THIRD DAY, FRIDAY, SEPTEMBER 16, 1904.

Convention called to order at 10 o'clock A. M., by the President, Mr. F. G. Bigelow.

Prayer by the Rev. J. M. Farrar, First Reformed Church of Brooklyn.

Unfinished Business.

Practical Banking Questions.

(Discussion limited to thirty minutes for each topic; open to all delegates under the five-minute rule; time to be extended by unanimous consent.)

5. Credit Indemnity, and its Value to the Banker—Address by Mr. W. E. Schweppe, Manager Bankers' Department of American Credit Indemnity Co., St. Louis, Mo.

6. The Strength and Weakness of American Finance—Address by Hon. Ellis H. Roberts, Treasurer of the United States.

Continuation of discussion of Practical Banking Questions.

Report of Committee on Nominations. Elections.

Installations of Officers Elected.

Attention is called to the following: Article VII., Section 1, of the Constitution, reads as follows:

ARTICLE VII.

SECTION 1. Resolutions or subjects for discussion (excepting those referring to points of order or matters of courtesy) must be submitted to the Executive Council in writing at least fifteen days before the Annual Convention of the Association; but any person desiring to submit any resolution or business in open convention may do so upon a two-thirds vote of the delegates present, the resolution or business may be referred to the Executive Council to report upon immediately; provided that this shall not apply to any proposed amendment the Constitution.

TRUST COMPANY SECTION.

PROGRAMME EIGHTH ANNUAL MEETING, NEW YORK CITY, N. Y., SEPTEMBER 13, 1904.

ORDER OF PROCEEDINGS.

The meeting will be called to order by the Chairman at 10 A. M.
The proceedings will be opened with prayer.

Roll Call by the Secretary of the Section.

Address of Welcome by Mr. George W. Young, President of the Trust Companies Association of the State of New York.

Reply by Mr. Breckinridge Jones, Chairman of the Section.

Report of the Secretary of the Section, by Mr. James R. Branch.

Report of the Executive Committee, by the Chairman, Mr. Clark Williams.

Report of the Committee on the Classification of Legal Decisions Relating to Safe Deposit Companies; Duty and Liability to Box-Holders; and a Compilation of the Rules and Forms of Typical Companies.*

Address: "Conservatism" by Mr. F. H. Fries, President of the Wachovia Loan and Trust Company, Winston-Salem, N. C.

Address: "The Protection of Trust Companies Acting as Transfer Agents and Registrars," by Mr. Jordan J. Rollins, of Rollins & Rollins, attorneys, New York.

Statement of the General Condition of Trust Companies of the United States as to Cash Reserve, by Mr. Edward T. Perine, General Manager of the Audit Company of New York.

DISCUSSIONS.

The Liability Incurred by Trust Companies by Reason of Representations in Offering Securities to the Public.

Trust Company Failures: Causes.

Proper Supervision of Trust Companies by State Officials.

Trust Companies Associations in Different States—Their Possible Relation to the Section.

How Can the Public Best Be Taught the Functions of the Trust Company?

Relation of the Legal Profession to the Trust Company—How Best to Secure Co-Operation.

Discounting and Commercial Banking.

Practicability of Trust Companies in Small Towns.

Institutions and Practices Within the Trust Companies in the Interests of Employees.

Fees Charged for Different Services.

Consideration of the Recommendations of the Executive Committee.

Nomination and Election of Officers.

Nomination and Election of Members of the Executive Committee.

Suggestion of Members as to the Work of the Section.

NOTE.

Forms and blanks used by typical trust companies and advertising matter of many of the members of the section are on exhibition in the registration rooms.

Proceedings of the Trust Company Section, indexed as to subjects, and bound in one volume, may be purchased in the registration room.

*This report will be submitted in print.

By courtesy of a number of New York trust companies, members of the section, a luncheon will be served to delegates immediately after adjournment of the meeting, in the Grand Ball-Room of the Waldorf-Astoria, to which you are cordially invited.

Delegates are requested to register before the meeting, when section buttons will be provided.

SAVINGS BANK SECTION.

MYRTLE ROOM, WALDORF-ASTORIA, 1 P. M., SEPTEMBER 13, 1904.

ORDER OF PROCEEDINGS.

Address by Chairman.

Report of Chairman of Executive Committee.

Secretary's Report.

Report of Committee on Uniform Laws.

Reading of papers.

Postal Savings Banks, by Hon. Willis S. Paine, ex-Superintendent of Banks of the State of New York.

Publicity for Savings Banks, by P. LeRoy Harwood, Treasurer Mariners' Savings Bank, New London, Conn.

The Law of Trust Accounts, by Thomas B. Paton, Editor of the "Banking Law Journal," New York.

Savings Banks for Texas, by R. H. Wester, President of Wester Savings and Trust Co., San Antonio, Texas.

Real Estate Loans and Appraisals, by John Worthington, of the Chicago Savings Bank, Chicago.

The Card Ledger in Savings Bank, by J. A. Langstroth, Accountant of the San Francisco Savings Union, San Francisco, Cal.

Nominations for: Chairman; vice-chairman; three members of executive committee, to serve three years; one member of executive committee, in place of Mr. Heinz, deceased, to serve two years.

Address by new Chairman.

HOTELS.

NOTE.—The letter "E" at margin indicates European plan. The letter "A" indicates American plan.

Albemarle, 1 W. 24th st.	E $2.50	and up.
Astor, 7th ave. & 44th st.	E 2.00	"
Bartholdi, Broadway & 23d st.	E 1.00	"
Buckingham, 5th ave. & 50th st.	E 2.00	"
Cadillac, Broadway & 43d st.	E 1.00	"
Fifth ave. Hotel	E 2.00	"
Girard, 123 W. 44th st.	E 1.00	"
Grand Hotel, B'way & 31st st.	E 1.50	"
Grand Union, 42d st. & 4th ave.	E 1.00	"
Grenoble, 7th ave. & 56th st.	E 1.00	"
Hotel Aberdeen	E 2.50	"
Herald Sq., 34th st. & B'way	E 1.50	to $5.00.
Hotel Imperial	E 2.50	and up.
Hotel Normandie	E 1.50	"
Hotel Navarre	E 1.50	"
Hotel Savoy	E 2.50	"
Hotel Webster	E 2.50	"
Hotel Wolcott	E 2.00	"
Hoffman House, B'wy & 25th st.	E $2.00	and up.
Imperial, B'way & 32d st.	E 2.00	"
Murray Hill, Park ave. & 41st st.	E 1.50	"
" " "	A 4.00	"
Malborough, B'way & 36th st.	E 1.50	"
Metropole, B'way & 42d st.	E 1.00	"
Majestic, Central P'k W. & 72d st.	E 2.00	"
Manhattan, Madison ave. & 42 st.	E 2.50	"
Netherlands, 5th ave. & 59th st.	E 3.00	"
Park Avenue, 32d to 33d sts.	E 1.00	"
Plaza, 5th ave. & 59th st.	E 2.50	"
" " "	A 5.00	"
St. Regis, 5th ave. & 55th st.	E 8.00	"
Victoria, 27th st. & B'way	E 2.00	"
Vendome, 41st st. & B'way	E 1.50	"
Waldorf-Astoria	E 3.00	"
Wellington, 7th ave. & 56th st.	E 2.00	"
York, 7th ave. & 36th st.	E 1.50	"

All delegates should secure hotel accommodations in advance. Write direct to any of the above hotels, stating requirements explicitly, number of rooms desired, number of persons who will occupy same, American or European plan, rate willing to pay per person per day, and date of arrival in New York. State also name and address of each person for whom quarters are desired. There will be no difficulty in securing necessary accommodations if the above directions are observed.

For the information of the Entertainment and Reception Committee, you will confer a favor if you will write direct to Jas. R. Branch, Secretary, stating that you will attend the convention, and if you will be accompanied by your wife or daughter.

Upon registering at headquarters, delegates will be presented with cards of invitation to various social clubs and commercial organizations.

Registry Rooms.

Members of the Local Committee will be in constant attendance. Also for the convenience of the members, competent stenographers, well-informed clerks, and a corps of messenger boys will be provided.

In the Waldorf-Astoria will be found the wires of the Western Union Telegraph Co. (free use to members for family and social messages).

Postal Telegraph Co. (free use of local telephone service to members).

New York Telephone Co. (free use of local telephone service to members).

Free use of long-distance telephone service to members before 9 A. M. and after 6 P. M.

Entertainments.

The Local Committee have arranged a programme for entertainment of the delegates and their ladies, as follows:

Wednesday, September 14.

A reception will be tendered to the delegates and ladies, in the Grand Ball Room, Astor Gallery, and other connecting rooms, at 8.30 P. M.

Thursday and Friday Evenings.

Theatrical Performance and Luna Park. Trips to Luna Park afternoons and evenings of above days.

Tickets have also been secured for Musèum of Natural History and Metropolitan Museum of Art.

Reduced Railroad Rates to the Convention.

Reduced rate of fare and one third has been granted on the certificate plan, *i. e.*, full fare going and one-third fare returning, by the following Passenger Associations: New England Passenger Association, Trunk Line Association, Central Passenger Association, Southeastern Passenger Association, Southwestern Excursion Bureau and Western Passenger Association.

Certificates are not kept at all stations, but the local ticket agent can inform you where they can be secured. Local tickets should be purchased to the nearest station where certificates can be obtained. Tickets can be purchased four days in advance of the convention, extra time being allowed from places more than four days' travel from New York. Return tickets, upon presentation of certificate duly validated, not later than the third day following the date for adjournment of the convention, will be furnished the holder at one-third fare over the same route. It is very important that holders of certificates deposit same for certification and vise of special agent, at the Secretary's temporary office, immediately upon registering. Twenty-five cents will be charged by the railroad for each certificate. Receipts for full fare will not be accepted in lieu of certificates.

Special rates have been granted from all parts of the United States to St. Louis. Round trip tickets can be purchased to St. Louis, and tickets purchased from St. Louis to New York on the certificate plan can be had at the rate of fare and one-third for the round trip.

Tickets issued from the Trans-Continental Passenger Association territory are invalid for return passage to Chicago, St. Louis, Memphis and New Orleans from New York if not used within three days after the adjournment of convention.

PROPOSED AMENDMENT TO ARTICLE 4, SECTION 1, CONSTITUTION OF THE AMERICAN BANKERS' ASSOCIATION.

So that the same shall read as follows:

The Executive Council shall appoint a Standing Protective Committee of three persons, whose names shall not be made public. The said committee shall control all actions looking to the detection, prosecution and punishment of persons attempting to cause, or causing, loss to any member of the Association, *either by loans upon false statements or any other form of crime.*

This proposed amendment is submitted under instructions from the New York State Bankers' Association by the delegates of that association to the convention of the American Bankers' Association.

AN AMENDMENT TO THE CONSTITUTION OF THE AMERICAN BANKERS' ASSOCIATION PRESENTED BY THE FIDELITY INSURANCE COMMITTEE.

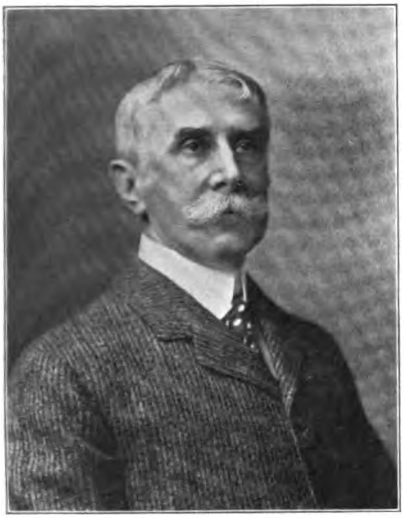
An amendment to Article 3 of the constitution of the American Bankers' Association by the addition of Section II:

SEC. II: The Executive Council shall appoint a board of five trustees for the management and administration of a fund to be known as "American Bankers' Guaranty Fund." Said fund shall be established for the purpose of enabling such of the members of this association and their employees as may elect to become subscribers and contributors thereto and to avail themselves of the advantages thereof to provide, by means of a general co-operation among said members and their employees, a fund from which said members may be reimbursed for losses arising from the dishonest acts of their employees. Said board of trustees shall establish rules and regulations for the government and management of said fund, and the rules and regulations formulated and adopted by the trustees shall be binding upon all the contributors to and beneficiaries of said fund. Vacancies in the board of trustees shall be filled by the Executive Council, and it shall be the duty of the Council to annually appoint an Auditing Committee to audit the books and accounts of said trustees; but nothing herein contained shall be construed as creating any financial liability by the association on account of said fund.

PORTRAITS OF MEMBERS OF EXECUTIVE COUNCIL AND STATE VICE-PRESIDENTS.

We present in the following pages portraits of several of the members of the executive council (three-year class) and the State vice-presidents. Photographs of all the members of the council for three years, and of all of the State vice presidents were asked for, but were not received. Portraits of the members of the council for one and two years and of the officers of the association have already been presented in the MAGAZINE.

The committee of arrangements for holding the convention is as follows: Stephen M. Griswold, chairman, President Union Bank of Brooklyn; G. S. Whitson, Vice President National City Bank; Walter E. Frew, Vice-President Corn Exchange Bank; J. M. Donald, Vice-President Hanover National Bank; S. G. Nelson, Vice President Seaboard National Bank; Albert H. Wiggin, Vice-President Chase National Bank; Gates W. McGarrah, President Mechanics' National Bank; Henry P. Davison, Vice-President First National Bank; William H. Porter, President Chemical National Bank; Gilbert G. Thorne, Vice-President National Park Bank; Edward Townsend, President Importers and Traders' National Bank; Samuel Woolverton, President Gallatin National Bank; W. C. Duvall, Cashier National Bank of Commerce; A. S. Frissell, President Fifth Avenue Bank; Stephen Baker, President Bank of Manhattan Co.; Herbert L. Griggs, President Bank of New York; James G. Cannon, Vice-President Fourth National Bank.



W. C. DUVALL,
Cashier National Bank of Commerce in New York

EDWARD TOWNSEND,
President Importers and Traders' National Bank.

GILBERT G. THORNE,
Vice-President National Park Bank.

A. S. FRISSELL,
President Fifth Avenue Bank.

MEMBERS COMMITTEE OF ARRANGEMENTS, NEW YORK CONVENTION AMERICAN BANKERS' ASSOCIATION.

JAS. K. WILSON,

President San Francisco National Bank.

JOHN R. MITCHELL,

Vice-President Winona Deposit Bank, Winona, Minn.

CHAS. M. SAWYER,

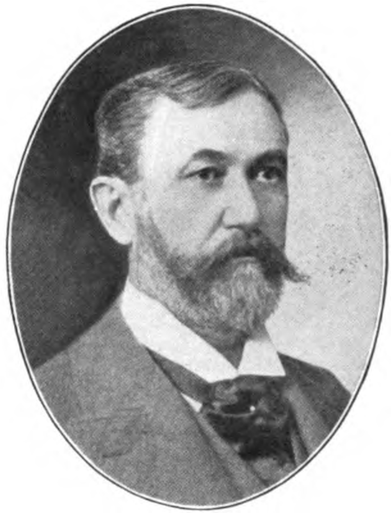
President First National Bank, Norton, Kans.

WM. K. COFFIN,

Vice-President Eau Claire National Bank, Eau Claire, Wis.

MEMBERS OF THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION.

WM. LIVINGSTONE,
President Dime Savings Bank, Detroit, Mich.



J. D. POWERS,
President U. S. Trust and Vault Co., Louisville, Ky.

STEPHEN M. GRISWOLD,
President Union Bank, Brooklyn, N. Y.

(Also Chairman of Committee of Arrangements.)

MEMBERS OF THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION.

Ala.—W. H. Manley, Cas. Birmingham Tr. and Sav. Co.

Ariz. Ter.—J. N. Porter, Pres. First Nat. Bank, Globe.

D. C.—M. E. Ailes, Vice-Pres. Riggs Nat. Bank, Washington.

Idaho.—W. F. Kettenbach, Pres. Lewiston Nat. Bank.

Ill.—Wm. George, Pres. Old Second Nat. Bank, Aurora.

Ind.—Mord Carter, Pres. First Nat. Bank, Danville.

Ind. Ter.—Frank S. Genung, Pres. First Nat. Bank, So. McAlester.

Kans.—James T. Bradley, Cas. First Nat. Bank, Sedan.

Ky.—Henry C. Walbeck, Cas. German Insurance Bank, Louisville.

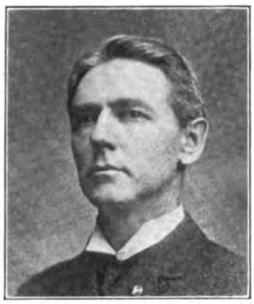
STATE VICE-PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION.

Me.—Thos. H. Eaton, Cas. Chapman Nat. Bank, Portland.

Md.—James R. Edmunds, Vice-Pres. and Cas. Nat. Bank of Commerce, Baltimore.

Mass.—Robt. B. Fairbairn, Pres. Nat. Rockland Bank, Boston.

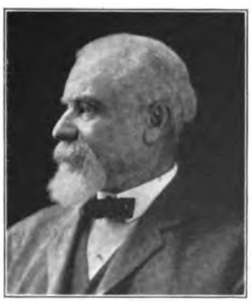
Mich.—H. C. Potter, Jr., Vice-Pres. State Sav. Bank, Detroit.



Miss.—B. W. Griffith, Pres. First Nat. Bank, Vicksburg.

Mo.—J. P. Huston, Cas. Wood & Huston Bank, Marshall.

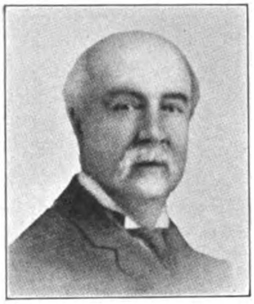
Mont.—A. J. Bennett, Pres. Madison State Bank, Virginia City.



Nev.—T. B. Rickey, Pres. State Bank and Trust Co., Carson.

N. H.—Calvin Page, Pres. New Hampshire Nat. Bank, Portsmouth.

STATE VICE-PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION.



New Mex.—H. J. Anderson, Pres. First Nat. Bank, Alamagordo.

N. Y.—Chas. H. Stout, Vice-Pres. Liberty Nat. Bank, New York.

N. C.—J. Elwood Cox, Pres. Commercial Nat. Bank, High Point.

No. Dak.—H. R. Lyon, Pres. First Nat. Bank, Mandan.

Ore.—J. Frank Watson, Pres. Merchants' Nat. Bank, Portland.

R. I.—Frederick Tompkins, Pres. Newport Trust Co.

S. C.—Jno. F. Ficken, Pres. South Carolina Loan and Trust Co., Charleston.

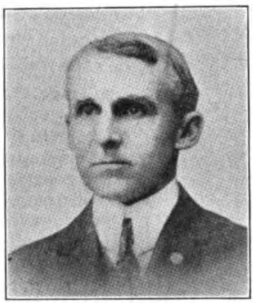
So. Dak.—H. J. Meldell, Cas. Beresford State Bank.

Tenn.—C. M. Preston, Cas. Hamilton Trust and Savings Bank, Chattanooga.

STATE VICE-PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION.

Tex.—Edwin Chamberlain, 2d Vice-Pres. Alamo Nat. Bank, San Antonio.

Va.—J. B. Fishburne, Vice-Pres. Nat. Exchange Bank, Roanoke.



Wash.—W. M. Shaw, Asst. Cas. Exchange Nat. Bank, Spokane.

Wis.—J. M. Holley, Cas. State Bank of La Crosse.

Wyo.—A. Kendall, Pres. First Nat. Bank, Rock Springs.

STATE VICE-PRESIDENTS OF THE AMERICAN BANKERS' ASSOCIATION.

STATE BANKERS' ASSOCIATIONS—REPORTS OF RECENT CONVENTIONS.

OHIO BANKERS' ASSOCIATION.

The fourteenth annual convention of the Ohio Bankers' Association was held August 24 and 25, at Put-in-Bay, Henry Flesh, Cashier of the Citizens' National Bank, Piqua, presiding. In his annual address President Flesh carefully reviewed the business situation, and discussed the effects of the political campaign. He expressed the opinion that whatever the result of the election the business interests of the country would not be seriously affected. Speaking of the keen competition among the banks in securing accounts, he said :

CHAS. A. HINSCH.
President Ohio Bankers' Association.

"Competition for business by banking institutions probably never was more keen than it has been in the last few years. The desire to secure accounts has practically dominated all other considerations. The question of profits, the customers' method of doing business, the character of the business pursued, or of those engaged in it, are ignored in the effort to get business, profitable, if possible, but get it in order to show big totals. The tendency to buy business, and that is what the acquisition of unprofitable accounts means, has been carried to such extremes that we might well ponder and ask what effect will these modern methods have on financial institutions, belonging to the stockholders, entrusted to our care, and in which the community is asked to deposit its funds for safe keeping.

The growing propensity of banks, trust and loan companies to offer high rates of interest on special deposits, is not calculated to inspire confidence. It is demoralizing in the extreme, and reflects discredit on the concerns engaged in it, and the business they represent. To put the case in a word, the financial institutions who are paying high rates of interest are pursuing a dangerous course. To the credit of the Ohio bankers be it said that the 'buying business craze' has not been adopted to any extent by them.

It is my opinion, as well as my experience, that the bank that will adhere consistently to the rule, 'that an account which don't show a profit is not worth having,' will win in the end. It may not show as large totals, but it will have the satisfaction to know that its affairs are in solid shape: that it is not risking the funds of its stockholders and depositors in an effort to increase its earnings to make up the losses incurred by unprofitable accounts.

With this note of friendly warning I close, and hope that in the future, as in the past, the bankers of Ohio will continue to exercise the circumspection so necessary in everything that pertains to conservative banking."

Secretary S. B. Rankin, Cashier of the Bank of South Charleston, presented his report, which showed a present membership of 615. During the past year through the efforts of the association the uniform Negotiable Instruments Law was passed, and a protective fund established. The State clearing-house plan was discussed,

but not considered practicable. The matter of bank money orders was turned over to the American Bankers' Association. Over $1,000 clear was earned by the Ohio State Bankers' Association in the past fiscal year on the burglary and fidelity insurance business. In concluding his report Secretary Rankin said: "This is the banner year of the association in almost every way. Never before was it in such a prosperous condition. With a fine membership, good insurance business, and the treasury in excellent condition, we have much to be thankful for."

Col. J. J. Sullivan, President of the Central National Bank, Cleveland, presented an interesting report as delegate to the San Francisco convention of the American Bankers' Association.

Allen Ripley Foote, Commissioner of the Ohio State Board of Commerce, delivered an able address on "Financial Corporations, Promoters of Industries and Commerce." He made a strong argument in favor of wise State regulation of banking.

J. A. S. Pollard, Cashier of the Fort Madison (Iowa) Savings Bank, made a witty and practical address on "The Banker's Function."

Officers of the association were chosen as follows: President, Charles A. Hinsch, President Fifth National Bank, Cincinnati; vice-president, T. C. Stevens, Cashier Merchants' National Bank, Toledo; treasurer, Henry C. Herbig, Cashier Commercial National Bank, Coshocton; secretary, S. B. Rankin, Cashier Bank of South Charleston.

A banquet was given the association by the Toledo Clearing House Association, and many of the delegates were otherwise entertained by the bankers of Toledo.

MICHIGAN BANKERS' ASSOCIATION.

The sixteenth annual convention of the Michigan Bankers' Association was held on board the Steamer "Eastern States," on the Great Lakes, July 26, 27, 28 and 29, President William Livingstone presiding. M. W. O'Brien, of the People's Savings Bank, Detroit, made the address of welcome, and Hon. Charles E. Townsend, of Jackson, member of Congress from the second Michigan district, eloquently responded for the bankers.

President Livingstone in his annual address stated that the membership was now the largest in the history of the association. Reviewing the banking and general business conditions of the State, he said:

> "The business interests of our State are on the whole in a very satisfactory condition in all branches. The last report of our Bank Commissioner is extremely satisfactory as to the condition of our Michigan banks. There are 243 State and eighty-seven National banks. The report shows about one hundred and fifty millions of deposits in State banks, and over sixty-five millions in National banks, and with a total number of depositors about 570,000 an average of about $375 per depositor, and a reserve over the requirements of law. It is safe to say that the position of our Michigan banks has never been stronger or sounder than it is to-day."

In concluding his address President Livingstone made a vigorous plea for the revival of American shipping.

Reports of the executive council and of the various committees were presented showing in detail the work carried on during the past year. Secretary Fred E. Farnsworth reported a present membership of 827, a gain of forty-eight since last year's convention. His report showed that through the association there had been issued fidelity bonds to members to the amount of $955,500, and burglary insurance amounting to $628,500.

The question of selecting a place for the next annual meeting of the association was considered, and resulted in favor of Houghton.

The following officers were chosen: President, James H. Seager, President

National Bank of Houghton; first vice-president, Dudley E. Waters, President Grand Rapids National Bank; second vice-president, Hon. Charles E. Townsend, of Jackson; secretary, Fred E. Farnsworth; treasurer, H. B. Waldby, Cashier Waldby & Clay's State Bank, Adrian; members executive council—W. J. Gregory, Cashier Manistee County Savings Bank, Manistee; Wm. Condon, Cashier First National Bank, Hancock; John Robinson, President Farmers and Merchants' Bank, Benton Harbor; Geo. Hefferan, Secretary Michigan Trust Co., Grand Rapids; Melvin O. Robinson, Cashier Commercial National Bank, Saginaw; Charles F. Collins, President Wayne County Savings Bank, Detroit; G. W. Mokma, Cashier First State Bank, Holland; Frank J. Jennison, Cashier Marquette National Bank.

A pleasing incident of the convention was a visit to Toronto, and a banquet at the King Edward Hotel on the evening of July 28. Addresses were made by a number of American and Canadian bankers.

WISCONSIN BANKERS' ASSOCIATION.

The tenth annual convention of the Wisconsin Bankers' Association was held at La Crosse, August 23 and 24, and was highly successful, both in point of attendance and the interesting character of the proceedings. E. E. Bentley, President of the Batavian National Bank, made the address of welcome, and Joseph L. Fieweger, Cashier of the Bank of Menasha, responded on behalf of the association.

President John M. Holley, Cashier of the State Bank of La Crosse, in his annual address reviewed the work of the association for the past year, and interesting reports were presented by the secretary, treasurer, and the various committees, to whom the principal executive work of the association is assigned.

J. A. S. Pollard, Cashier of the Fort Madison (Iowa) Savings Bank, spoke on "A Necessary Vacation," and Geo. D. Bartlett, Cashier of the Citizens' State Bank, Stanley, discussed the practicability of the group plan for conducting the work of the Wisconsin Bankers' Association. Hon. J. J. Esch, member of Congress, discussed "Our Financial Policy in the Pacific," and John Puelicher, of Milwaukee, told about the work of the American Institute of Bank Clerks.

The association elected the following officers: President, Geo. N. Fratt, Cashier First National Bank, Racine; vice-president, F. J. Carr, Cashier Bank of Hudson; secretary, John Campbell, Assistant Cashier Marshall & Ilsley Bank, Milwaukee; treasurer, G. E. McDill, Cashier Citizens' National Bank, Stevens Point.

A banquet at the Hotel Stoddard and other entertainments were enjoyable features of the convention.

FRENCH CAPITAL IN RUSSIA.—According to the "*Bulletin de Statistique de Legislation Comparee*" ("Bulletin of the Statistics of Comparative Legislation"), published in Paris, France, Russia has received large sums of French capital, viz., $1,175,370,000 in imperial loans and $152,856,000 in industrial enterprises. Of these latter, southern Russia obtained $58,479,000; Moscow and environs, $42,706,000; Russian Poland, $34,740,000; St. Petersburg and vicinity, $4,825,000; other parts, $8,685,000. France has $9,457,000 in commercial undertakings, $3,474,000 in banks, and $3,281,000 in real estate transactions. Thus the total amount invested is $1,344,438,000. When it is remembered that a very large part of the capital usually accredited to Belgium in the books of Russian and European writers belongs to France, it will be seen that the total investments of the Republic in the Empire exceed the figures furnished in this estimate.

PROFITS OF THE LONDON BANKS.

[From the London "Bankers' Magazine."]

The results of the banking half-year from the point of view of shareholders must not be considered unsatisfactory, but, although dividends were maintained as a rule, the indications were not so favorable as this statement would imply. Amongst the important English banks which have their headquarters in London the only two which have announced reductions in distributions are the National Provincial and the London and County banks. The dividend in the former instance has been brought down from eighteen per cent. to sixteen per cent., but it is merely an interim announcement, and in all probability it will be found that the step was more in the nature of a precautionary measure than anything else. In the latter case the bonus was omitted last half-year, and this policy has been maintained on this occasion. At the same time, from the full statements made, it would appear that profits of London bankers have generally diminished when the half-year is compared with the corresponding period of 1903. Only in one instance has an increase been recorded, and that is the London and South Western Bank, which, thanks to the prescience of its board in years gone by, has obtained a strong hold upon the business of greater London. The result of this general diminution in profits is seen in the comparative insignificance of the amounts placed to premises redemption, pension funds, and reserves generally. In some cases these allocations are altogether omitted, and the dividend is simply declared. As we explained last month in estimating profits, all important factors were against the banks in the past half-year, and the fact that dividends have generally been maintained must be considered a favorable feature. A depressing influence, when considering the immediate future, is the inelasticity shown by the figures in the balance-sheets of the banks, some of the important institutions even showing substantial decreases in the total of the deposit and current accounts. Against this has to be set the improvement in the value of money since the half-year closed, which should have a favorable influence upon ordinary profits. The circumstance, too, that the depreciation in securities was faced at the end of December is all in favor of improvement in the current half-year. The main fact remains, however, that the banks stand in need of an expansion in the funds at their command, and it is earnestly to be hoped that a check will be given to the factors which tend to prevent their attaining such an increment in their resources. The matter is not of trifling importance, for the development of the great manufacturing and other industries of the country depend, in a great measure, upon the assistance which can be rendered to them by the great credit institutions.

As regards the provincial institutions, the results produced would seem to have been satisfactory. The only changes amongst the English banks, so far reported, was a rise of five-eighths per cent. in the distribution of the Bradford District Bank, and a reduction of 16s. 8d. per cent. in that of the North Eastern Banking Company. Neither of the changes can be said to have much significance, the North Eastern Banking Company often varying its rate, as last year it raised its distribution by 8s. 4d. per cent. The Irish banks have maintained their recent higher dividends, except the Bank of Ireland, which reported a decline of one-half per cent. The Indian Presidency banks would appear to have fared poorly, the Bank of Bombay having to reduce its distribution by two per cent. The banks working abroad

would seem to have done well, both the Bank of Egypt and the Union of Australia increasing their distributions to a substantial extent.

Bank Dividends for the Half-Year.

NAME.	*Dividend First Half, 1903.*	*Dividend First Half, 1904.*
Anglo-Foreign	5 per cent. per annum.	5 per cent. per annum.
Bank of Bengal	10 per cent. per annum.	10 per cent. per annum.
Bank of Bombay	12 per cent. per annum.	10 per cent. per annum.
Bank of Egypt	6 per cent. per annum.	8 per cent. per annum.
Bank of Ireland	12 per cent. per annum.	11½ per cent. per annum.
Bank of Liverpool	10 per cent. per annum and bonus 4 per cent.	10 per cent. per annum and bonus 4 per cent.
Bank of Madras	8 per cent. per annum.	8 per cent. per annum.
Bank of Mauritius	6 per cent. per annum.	6 per cent. per annum.
Bank of New South Wales	10 per cent. per annum.	10 per cent. per annum.
Birmingham District and Counties	15 per cent. per annum.	15 per cent. per annum.
Bradford District	10⅝ per cent. per annum.	11¼ per cent. per annum.
Bradford Old	9 per cent. per annum.	9 per cent. per annum.
Capital and Counties	18 per cent. per annum.	18 per cent. per annum.
Halifax and Huddersfield Union	8s. per share.	8s. per share.
Halifax Joint Stock	10 per cent. per annum.	10 per cent per annum.
Hong-Kong and Shanghai	£1. 10s. per share.	£1. 10s. per share.
Lancashire and Yorkshire	15 per cent. per annum.	15 per cent. per annum.
Lloyds	17½ per cent. per annum.	17½ per cent. per annum.
London and County	20 per cent. per annum and bonus 1 per cent.	20 per cent. per annum.
London Joint Stock	12 per cent. per annum.	12 per cent. per annum.
London and Provincial	18 per cent. per annum.	18 per cent. per annum.
London and South Western	16 per cent. per annum.	16 per cent. per annum.
London and Westminster	14 per cent. per annum.	14 per cent. per annum.
London City and Midland	18 per cent. per annum.	18 per cent. per annum.
Manchester and County	15 per cent. per annum.	15 per cent. per annum.
Manchester and Liverpool District	21s. per share.	21s. per share.
Metropolitan Bk. of England & Wales	12½ per cent. per annum.	12½ per cent. per annum.
Munster and Leinster	12 per cent. per annum.	12 per cent. per annum.
Natal Bank	12 per cent. per annum.	12 per cent. per annum.
National	10 per cent. per annum and 1 per cent. bonus.	10 per cent. per annum and 1 per cent. bonus.
National Discount	10 per cent. per annum.	10 per cent. per annum.
National Provincial	18 per cent. per annum.	16 per cent. per annum.
North-Eastern	£12. 18s. 4d. per cent. per annum.	£12. 1s. 8d. per cent. per annum.
North and South Wales	10s. per share and 4s. bonus.	10s. per share and 4s. bonus.
Parr's	19 per cent. per annum.	19 per cent. per annum.
Provincial of Ireland	12 per cent. per annum.	12 per cent. per annum.
Union Discount Company of London	11 per cent. per annum.	11 per cent. per annum.
Union of Australia	8 per cent. per annum.	10 per cent. per annum.
Union of London & Smiths	15s. 6d. per share and 3s. per share bonus.	15s. 6d. per share and 3s. per share bonus.
Wilts and Dorset	20s. per share.	20s. per share.
Williams Deacon and Manchester, etc.	12½ per cent. per annum.	12½ per cent. per annum.

ADDITIONAL BANKING NEWS.

Rockford, Ill.—The Manufacturers' National Bank has just taken possession of its handsome new building on East State street. It is announced that this bank will increase its capital from $125,000 to $200,000, the increase to be effected by declaring a sixty per cent. dividend out of the $105,000 surplus and profits, and from this the present stockholders will take up the new stock.

The Manufacturers' National Bank was organized in 1898, and has had a steady and rapid growth. Its officers are: President, W. F. Barnes; Vice-President, N. F. Thompson; Cashier, August P. Floberg; Assistant Cashier, W. B. Mulford.

Atlantic, Iowa.—The Iowa Trust and Savings Bank purchased the business of the Commercial Bank and succeeded that institution August 1. The Iowa Trust and Savings Bank is capitalized at $125,000, one-fourth paid in, another fourth to be paid in January and the balance as soon as business requires.

James E. Bruce, President of the bank, owns the Citizens' Bank, of Anita, Iowa, has resided in Cass County for twenty-three years, and is a member of the Iowa State Senate.

Denver, Colo.—The new United States mint in this city was opened September 1 with a Presidential salute of twenty-one guns and raising of the American flag over the building by George E. Roberts, Director of the Mint.

The mint will not begin coinage until July 1, 1905, as no appropriation has been made by Congress as yet to cover the cost of coinage.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Members of Group VII of the New York State Bankers' Association, comprising the banks of Brooklyn and other parts of Long Island, enjoyed an outing at Coney Island August 12.

—The Wells Fargo & Co. Bank has issued the following balance-sheet as of July 30: Assets—Loans, $16,084,798; bonds, stocks and warrants, $2,731,865; real estate, $2,139,796; miscellaneous assets, $5,017; due from banks and bankers, $1,700,925; cash, $3,250,106; total assets, $25,912,686. Liabilities—Capital paid up, $500,000; surplus, $5,750,000; undivided profits, $9,666,545; deposits, banks and bankers, $2,188,106; deposits, individuals, $7,808,035; total liabilities, $25,912,686.

The express company is operating railroads, steamships and stage lines aggregating 48,439 miles, with 4,210 offices.

—A few months ago the National City Bank offered to its clerks five prizes for suggestions in writing for improvements in the institution. Generally speaking, the competitors were supposed to hand in suggestions which would make for increased business, along conservative lines, at the minimum of expense. The competition was open to the 260 clerks employed in the bank, but no officer was eligible to compete. The first prize was an extra vacation of two weeks for a trip to the St. Louis exposition, with all expenses there and back paid by the bank. The second, third and fourth prizes were in cash, $25, $15 and $10, respectively. The first prize was won by J. C. Martine, Assistant Discount Clerk of the bank.

—Col. Charles E. Sprague, President of the Union Dime Savings Institution, is about to publish (besides his book on "The Accountancy of Investment") a book on Bond Values, more extensive than those now in use. While the ordinary tables give values correct to the nearest cent on $100 only, his forthcoming book will give the nearest cent on $1,000,000, and will show the rates of income (2.50, 2.51, 2.52, etc.) from 2⅛ to 5 per cent. These new tables will facilitate the keeping of investment accounts on scientific principles, and be useful with respect to transactions in securities.

—Harvey Fisk & Sons have removed to their new building, 62 and 64 Cedar street. The building is five and a half stories high and all but the third, fourth and fifth floors are occupied by the firm and its working force.

—The Hong Kong and Shanghai Banking Corporation, of which Wade Gardiner is local agent, has increased its silver reserve fund from $6,500,000 to $7,000,000. The gold reserve fund is $10,000,000, making the total $17,000,000.

The Bankers' Trust Co. has added another representative banker to its board by electing as a director Walter E. Frew, Vice-President of the Corn Exchange Bank. The board of the Bankers' Trust Co. consists entirely of bankers, the majority of whom have been selected from the active officers of the leading commercial banks in this city.

—The statement of the Fidelity and Casualty Company, of New York, on June 30 last shows total assets of $6,397,004; capital stock, $500,000; net surplus, $1,412,107. For the year ending June 30, 1904, the cash income was $2,989,875, and the losses paid in the same time, $1,088,270. The total of all losses paid by the company to June 30, 1904, is $18,696,401.

—The "New York Press" of recent date, under the heading of "A Bankers' Paradise," has the following to say about the Hanover National Bank: "The 200 employees of the Hanover Bank have spacious quarters on the twenty-second floor, where they eat, bathe, exercise, read and rest. On the Nassau street side is a private dining-room for the President and Vice-Presidents, finer than anything in our hotels. Meals for 200 are served from 12 to 2 in the main dining-hall, the men eating in squads of fifty and consuming thirty minutes at the repast. The baths are as fine as those in the palace of Andrew Carnegie. The 160 book-

keepers and assistants of this institution used to work in the cellar; now they are over 300 feet above ground, with an abundance of light and ventilation. A very fast, private elevator connects them with the banking office."

—Following an informal suggestion made by one of the officers of the institution some time ago, the clerks of the National City Bank have organized a club, which will be known as the City Bank Club. No officer may hold membership in the organization, but any one of the clerks, from the paying teller down, may join. The paying teller and nearly all of the 260 clerks are members. These officers have been chosen: President, A. H. Titus, assistant to the third teller; vice-president, F. S. Emmons; secretary, W. B. Matteson; treasurer, J. C. Martine; trustees for one year, H. E. Davison and C. F. Barnes; trustees for two years, G. Kouwenhoven and William Reed; trustees for three years, C. Zabriskie and H. D. Hall.

The object of the club is the advancement of its members along educational, social and fraternal lines. There will be monthly meetings for social purposes and literary exercises. The dues will be $1 a year, and the officers of the bank will be honorary members. For the present, at least, the club will meet in a room set apart for its use on the second floor of the bank building.

NEW ENGLAND STATES.

New National Bank Examiner. Joseph Balch, of Providence, R. I., has been appointed National bank examiner for the District of Rhode Island and Connecticut, in place of Mr. Barrows, resigned. Mr. Balch had been for some time connected with the Providence (R. I.) Institution for Savings.

Boston.—After a faithful service of over fifty-four years, Geo. W. Harris recently resigned as Cashier of the National Bank of Commerce. He has been Cashier of the bank ever since it started.

Wm. R. Whittemore succeeds Mr. Harris as Cashier and Edward H. Gleason has been appointed Assistant Cashier.

MIDDLE STATES.

Newark, N. J.—The National Newark Banking Co. has just issued a handsomely-printed illustrated volume from the press of Robert Grier Cooke, New York, describing the history of the bank during its century of existence. The book is entitled, "One Hundred Years," and was compiled by Charles G. Rockwood, sixth President of the bank, who died on the eve of his ninetieth birthday, July 17.

Mr. Rockwood has made an important contribution to banking history. There are very few banks in the country that have been in operation for a hundred years, and the long and honorable career of the National Newark Banking Company is eminently deserving of the recognition given it in Mr. Rockwood's history.

WESTERN STATES.

Chicago.—The Royal Trust Co. recently purchased the assets of the First Mortgage Bond and Trust Co. which was capitalized at $250,000. F. W. McKinney, President of the company, will continue its business as a department of the Royal Trust Co.

—The Fidelity and Casualty Co., of New York, has opened a city office in the Merchants' Loan and Trust Building, for the handling of personal accident and health insurance, in charge of F. A. Hancock & Co., as managers.

St. Louis.—On August 13 the Missouri Trust Company and the Lincoln Trust Company merged, the new company taking the title of Missouri-Lincoln Trust Co. Business will be conducted under the charter of the Missouri Trust Co., with $3,000,000 capital, and August Schlafly, President of the last-named company, will be President of the merged institutions.

Cincinnati, O.—The First National Bank, which recently absorbed the business of the Ohio Valley National, reports $3,700,000 capital, $1,300,000 surplus and profits, and $13,000,000 deposits. W. S. Rowe is President of the First National Bank, and Joseph Rawson and C. B. Wright, Vice-Presidents. Thomas J. Davis is Cashier, and Robert McEvilley, P. E. Kline and Emil Baur, Assistant Cashiers.

Milwaukee, Wis.—The Century National Bank is being organized here by W. D. Gray and others, with $500,000 capital.

Burlington, Ia.—The Iowa State Savings Bank has recently made extensive improvements in the exterior and interior of its building. New and modern fittings have been put in, making the banking rooms attractive and greatly increasing the facilities for satisfactorily serving the public.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

City National Bank, Sioux City, Ia.; by A. T. Bennett, et al.

Madera National Bank, Madera, Pa.: by S. J. Miller, et al.

First National Bank, Golconda, Ill.; by W. A. Whiteside, et al.

Farmers and Merchants' National Bank, Seneca ville, O.; by A. J. Solomon, et al.

First National Bank, Meeker, Colo.; by C. C. Parks, et al.

People's National Bank, Cherryvale, Kan.: by Chas. A. Mitchell, et al.

First National Bank, Wild Rice, Minn.; by C. E. Peterson, et al.

Monroe National Bank, Monroe, N. Y.; by Clarence S. Knight, et al.

American National Bank, Lafayette, Ind.; by Henry A. Taylor, et al.

City National Bank, El Paso, Tex.: by R. M. Mayes, et al.

First National Bank, International Falls, Minn.: by Wm. F. Brooks, et al.

First National Bank, Yuma, Ariz.: by R. S. Patterson, et al.

Caddo National Bank, Caddo, I. T.: by E. C. Million, et al.

First National Bank, Mason, O.; by J. C. Bennett, et al.

People's National Bank, Zelienople, Pa.; by J. S. McNally, et al.

Farmers' National Bank, Hubbard, Tex.: by H. B. Finch, et al.

First National Bank, Senecaville, O.; by C. M. Hutchison, et al.

First National Bank, Bonesteel, S. D.: by B. A. Plummer, et al.

City National Bank, Lampasas, Tex.; by H. N. Key, et al.

Runnels County National Bank, Miles, Tex.; by W. A. Davis, et al.

First National Bank, Piedmont, Ala.; by O. W. Sharpe, et al.

Citizens' National Bank, Thomasville, Ala.; by J. W. Tucker, et al.

Merchants and Planters' National Bank, Davis, I. T.; by C. B. McCluskey, et al.

State National Bank, Iowa Falls, Ia.; by B. H. Thomas, et al.

Pittsburg National Bank, Pittsburg, Tex.; by L. R. Hall, et al.

Farmers' National Bank, Hickory, Pa.; by J. A. Ray, et al.

Western National Bank, Louisville, Ky.; by John Hetterman, et al.

First National Bank, Parkston, S. D.; by John S. Mueller, et al.

Del Rio National Bank, Del Rio, Tex.; by J. G. Griner, et al.

First National Bank, Merit, Tex.; by A. H. Neathery, et al.

Du Bois National Bank, Du Bois, Pa.; by S. C. Bond, et al.

First National Bank, Shawnee, O.; by Edward G. Blaire, et al.

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

Inez Deposit Bank, Eden, Ky.: into Inez National Bank.

Houston County State Bank, Caledonia, Minn.; into First National Bank.

NATIONAL BANKS ORGANIZED.

7344–First National Bank, Cornwall-on-the-Hudson, N. Y. Capital, $25,000; Pres., A. C. Wilcox; Vice-Pres., M. A. Alexander; Cas., Clark J. Brown.

7345—Arlington National Bank, Arlington, Tex. Capital, $25,000; Pres., R. W. McKnight: Vice-Pres., James Ditto; Cas., Mike Ditto.

7346—First National Bank, Fayetteville, Ark. Capital, $50,000; Pres., S. P. Pittman; Vice-Pres., F. P. Earle: Cas., Bruce Holcomb.

7347 Batavian National Bank, La Crosse, Wis. Capital, $400,000; Pres., E. E. Bentley: Vice-Pres., S. Y. Hyde; Cas., E. M. Wing; Asst. Cas., J. A. Bayer.

7348–Campbell National Bank, Campbell, Tex. Capital, $27,000: Pres., J. F. Hackler; Vice-Pres., R. E. Connor; Cas., B. R. Brown.

7349—New Cumberland National Bank, New Cumberland, Pa. Capital, $25,000; Pres., Ed. S. Herman; Cas., G. W. Reily.

7350—First National Bank, Mount Olive, Ill. Capital, $25,000; Pres., C. B. Munday; Vice-

Pres., F. W. Hartke and O. F. Allen; Cas., Collie Clavin.

7351—First National Bank, Braymer, Mo. Capital, $50,000; Pres., Henry Eichler: Vice-Pres., W. R. Lee; Cas., J. A. Rathbun.

7352—Vermilion National Bank, Vermilion, S. Dak. Capital, $50,000; Pres. L. T. Swezey; Vice-Pres., Harvey Gunderson; Cas., C. H. Barrett.

7353—First National Bank, Marysville, Pa. Capital, $25,000; Pres., Jos. W. Place; Vice-Pres., J. Harper Seidel and J. W. Beers; Cas., J. E. Wilson.

7354—First National Bank, Hartsville, Ind. Capital, $25,000; Pres., John R. Smalley; Vice-Pres., John Plessinger; Cas., S. L. Howard.

7355—First National Bank, Diller, Neb. Capital, $40,000; Pres., A. H. Colman; Vice-Pres., Isaac M. Raymond; Cas., Thomas P. Price; Asst. Cas., Arthur E. Price.

7356—First National Bank, Bellwood, Pa. Capital, $25,000; Cas., C. E. Patterson.

7357—Monroe National Bank, Monroe, Ia. Capital, $25,000; Pres., A. J. Porter; Vice-Pres., J. P. Johnston; Cas., Chas. T. Schenck; Asst. Cas., F. B. Kingdon.

7358—Prairie National Bank, Chicago, Ill. Capital, $250,000; Pres., Geo. Van Zandt, Vice-Pres., Geo. Woodland; Cas., Wm. B. Conklin.

7359—West Virginia National Bank, Huntington, W. Va. Capital, $135,000; Pres., C. W. Campbell; Vice-Pres., J. B. Stevenson; Cas., Robert L. Archer.

7360 Merchants and Farmers' National Bank, Cisco, Tex. Capital, $25,000; Pres., W. H. Eddleman; Vice-Pres., Wm. Bohning; Cas., W. C. Bedford; Asst. Cas., W. H. Tebbs.

7361—First National Bank, Van Buren, Ark. Capital, $25,000; Pres., W. H. H. Shibley.

NEW BANKS, BANKERS, ETC.

ARIZONA.

GLOBE—Gila Valley Bank and Trust Co. (successor to Miners and Merchants' Bank).

ARKANSAS.

SPADRA—Bank of Spadra; capital, $5,000; Pres., C. H. Langford; Cas., F. Q. Poynor.

CALIFORNIA.

CORNING—Bank of Corning; capital, $30,000; Pres., Wm. Dole; Cas., Robert Davies.

GEORGIA.

SHARON—Bank of Sharon; capital, $15,000; Pres., Geo. N. Wright; Vice-Pres., John O'Keiffe; Cas., Wm. L. Kinked.

ILLINOIS.

POCAHONTAS—Bond County Bank; Pres., P. M. Johnston; Cas., W. H. McCracken.

URBANA—Farmers' Savings and Loan Bank; Pres., S. W. Love; Vice-Pres., G. E. Hiner; Cas., T. B. Webber.

INDIANA.

ROYAL CENTER—Royal Center State Bank (successor to Royal Center Bank); capital, $25,000; Pres., W. C. Thomas; Vice-Pres., G. A. Rea; Cas., E. B. Thomas; Asst. Cas., H. Lutes.

INDIAN TERRITORY.

ALDERSON—Miners' Union Bank; capital, $25,000; Pres., F. A. Nash; Vice-Pres., W. T. Wood; Cas., F. M. Sterrett, Jr.

HOWE—Bank of Howe; capital, $25,000; Pres., John M. Benbow; Vice-Pres., Jno. S. Guhman; Cas., J. M. Key.

MORRIS—Bank of Morris; capital, $10,000; Pres., T. F. Randolph; Vice-Pres., John T. Stewart; Cas., A. E. Bowers.

IOWA.

ATLANTIC—Iowa Trust and Savings Bank (successor to Commercial Bank); capital, $62,500; Pres., James E. Bruce; Vice-Pres., J. W. Cuykendall; Cas., E. S. Harlan; Asst. Cas., C. W. Bruce.

GARNAVILLO—Garnavillo Savings Bank; capital, $10,000; Pres., Wm. F. Meyer; Vice-Pres., J. A. Hempeler; Cas., Chas. Roggman.

WHAT CHEER—Central Savings Bank; capital, $15,000; Pres., L. C. Wilson; Vice-Pres., C. D. Woodbridge; Cas., G. D. Horras.

WILTON JUNCTION—Farmers' Savings Bank; capital, $20,000; Pres., C. C. Kaufman; Vice-Pres., Fred Maurer; Cas., F. C. Wickes.

KANSAS.

BARNARD—Farmers' State Bank; capital, $15,000; Pres., J. A. Lounsbury; Vice-Pres., W. S. Swank; Cas., J. J. McCurdy.

CIMARRON—Gray County State Bank; capital, $10,000; Pres., D. Francisco; Cas., San Francisco.

DORRANCE—Dorrance State Bank; capital, $10,000; Pres., W. D. Jellison; Vice-Pres., E. D. Schermerhorn; Cas., J. E. Missimer.

HARTFORD Hartford State Bank (successor to I. A. Taylor Banking Co.); capital, $20,000; Pres., W. M. Wilcox; Cas., D. G. Reed; Asst. Cas., C. A. Johnson.

MOUND RIDGE—Citizens' State Bank; capital, $10,000; Pres., Joseph C. Goering; Vice-Pres., J. J. Krebbiel; Cas., C. H. Goering.

KENTUCKY.

BETHLEHEM—Deposit Bank of Pleasureville.

RAYWICK—Bank of Raywick; capital, $15,000; Pres., Geo. W. Beall; Vice-Pres., Wm. Webster; Cas., J. R. Barnes.

LOUISIANA.

GRANDCANE—Bank of Grandcane; capital, $15,000; Pres., L. H. Richardson; Vice-Pres., E. L. Joyner; Cas., W. H. Smith; Mgr., C. B. Hicks.

MICHIGAN.

EVART—Evart Savings Bank; capital, $30,000; Pres., Frank S. Postal; Vice-Pres., Mark Ardis; Cas., D. Scott Partridge.

NORTHPORT—Leelanau County Bank; Pres., D. H. Power; Cas., F. R. Davis.

PRESCOTT—Bank of Prescott; Cas., James McKay.

MINNESOTA.

ELLSWORTH—German State Bank (successor to Citizens' Bank); capital, $15,000; Pres., E. A. Brown; Vice-Pres., Poppe Hickman; Cas., F. W. Stanton; Asst. Cas., H. J. Adden.

INTERNATIONAL FALLS—First State Bank (successor to Lumbermen's Bank); capital, $10,000; Pres., C. W. Hastings; Vice-Pres., F. P. Sheldon; Cas., A. L. Sheldon.

MENAGHA—State Bank (successor to Bank of Menagha); capital, $10,000; Pres., G. R. Wedgewood; Vice-Pres., P. Plein; Cas., C. R. Gosslee; Asst. Cas., M. Ristinen.

MILLVILLE—Millville State Bank; capital, $10,000; Pres., T. W. McGuigan; Vice-Pres., A. E. Polson; Asst. Cas., P. J. Cosgrove.

OSSEO—Osseo State Bank; capital, $10,000; Pres., E. G. Selzler; Vice-Pres., Edw. Schmidt; Cas., Elmer Owen.

MISSISSIPPI.

JACKSON—American Trust and Savings Bank; Pres., L. K. Atwood; Vice-Pres., S. D. Redmond; Cas., P. G. Cooper.

MOORHEAD—Bank of Moorhead (Branch of Grenada).

RIENZI—People's Bank and Trust Co. (Branch of People's Bank and Trust Co., Tupelo); E. M. Perry, Mgr.

MISSOURI.

CABOOL—Bank of Cabool; capital, $10,000; Pres., S. W. Grant; Vice-Pres., Robert Lamar; Cas., H. Parmenter; Asst. Cas., Della Farris.

EUGENE—Bank of Eugene; capital, $10,000; Pres., J. L. Ritchie; Vice-Pres., Eugene Simpson; Cas., J. F. Robberts.

STEELE—Bank of Steele; capital, $10,000; Pres., H. P. Coleman; Vice-Pres., J. T. Gilliland; Cas., L. W. McCrory.

WITTENBERG—Bank of Wittenberg; capital, $10,000; Pres., Jos. G. Wienhold; Vice-Pres., Jos. S. Mueller; Cas., J. E. Lottes.

NEBRASKA.

INAVALE—Bank of Inavale; capital, $5,000; Pres., T. M. Logan; Vice-Pres., C. E. Harmon; Cas., S. M. True.

PLAINVIEW—Security State Bank; capital, $15,000; Pres., M. R. Dutcher; Vice-Pres., J. M. Dutcher; Cas., W. M. Dutcher; Asst. Cas., R. E. Dutcher.

NEVADA.

GOLDFIELD—Nye & Ormsby County Bank.

NORTH CAROLINA.

DURHAM—Home Savings Bank; capital, $50,000; Pres., Geo. W. Watts; Vice-Pres., John S. Hill; Cas., W. W. Whitted; Asst. Cas., P. S. Hutchins.

JACKSON—Bank of Northampton; capital, $4,000; Pres., Wm. H. S. Burgwyn; Vice-Pres., J. T. Flythe; Cas., Paul J. Long.

WAKE FOREST—Bank of Wake; capital, $6,000; Pres., J. B. Powers; Vice-Pres., J. B. Carlyle; Cas., T. E. Holding.

OHIO.

CUYAHOGA FALLS—Cuyahoga Falls Savings Bank; capital, $25,000; Pres., C. M. Walsh; Vice-President, Edward Seedhorne; Cas., J. B. Merriman.

KENTON—Commercial Bank; Pres., John S. Rice; Vice-Pres., Samuel Pfeiffer; Cas., W. J. Ochs.

OTTOVILLE—Ottoville Bank Co.; capital, $12,500; Pres., J. C. Wannemacher; Vice-Pres., John J. Miller; Cas., F. J. Maehlmann; Asst. Cas., Edith Maehlmann.

RISING SUN—Sun Savings Bank Co.; capital, $25,000; Pres., E. F. Day; Vice-Pres., J. H. Bennett; Cas., W. E. Rose.

OKLAHOMA.

BLACKBURN—German-American Bank; capital, $10,000; Pres., F. E. Carlstrom; Vice-Pres., A. F. Myers; Cas., Cecil D. Jay.

SOUTH CAROLINA.

COWPENS—Security Bank; Pres., Jos. Norwood.

NORTH—Bank of North; capital, $15,000; Pres., J. R. Leysath; Cas., E. C. Johnson.

TENNESSEE.

CORNERSVILLE—Farmers' Bank; capital, $12,000; Pres., A. Jones; Vice-Pres., James Ashley; Cas., J. H. Davison.

LENOIR CITY—Farmers and Traders' Bank; capital, $25,000; Pres., John F. Eason; Vice-Pres., F. A. Weiss; Cas., S. P. Witt; Asst. Cas., R. B. Witt.

TEXAS.

COOKVILLE—Bank of Cookville; capital, $10,000; Pres., M. Lilienstern; Vice-Pres., G. F. Johnson; Cas., H. P. Burford.

VIRGINIA.

CARTERSVILLE—Cartersville Bank (Branch of Columbia); Pres., B. R. Cowherd; Vice-Pres., Wm. H. Rhodes; Cas., Geo. J. Stoneman.

WASHINGTON.

CHENEY—Farmers and Merchants' Bank; Cas., A. W. Henning.

WISCONSIN.

KNAPP—State Bank; capital, $10,000; Pres., A. R. Hall; Vice-Pres., Chas. Townsend; Cas., C. R. Case.

CANADA.

ONTARIO.

BRACEBRIDGE—Crown Bank of Canada; Burnett Laing, Mgr.

MANITOBA.

FANNYSTELLE—Soole & Co.

QUEBEC.

AYLMER EAST—Crown Bank of Canada; A. C. Crum, Mgr.

SAWYERVILLE—People's Bank of Halifax; J. M. Phelan, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

HUNTSVILLE—Rison Banking Co.; Wm. R. Rison, Pres., deceased.

ARIZONA.

BISBEE—First National Bank; W. R. Patterson, Cas.

CALIFORNIA.

SAN FRANCISCO—American National Bank; Geo. N. O'Brien, Cas.

STOCKTON—San Joaquin Valley Bank; J. M. Welsh, Pres., deceased.

COLORADO.

LAS ANIMAS—First National Bank; L. E. Thompson, Pres. in place of P. J. Gaume.

CONNECTICUT.

BRIDGEPORT—City Savings Bank; Benjamin Fletcher, Vice-Pres. in place of Courtland Kelsey.

HARTFORD—Phœnix National Bank; Henry A. Redfield, Pres., deceased.

NEW LONDON—National Bank of Commerce; B. A. Armstrong, Pres. in place of Henry R. Bond; no Vice-Pres. in place of B. A. Armstrong.

SOUTH NORWALK—South Norwalk Savings Bank; John H. Knapp, Vice-Pres.

DELAWARE.

NEWARK—National Bank of Newark; S. Minot Curtis, Pres., deceased.

GEORGIA.

MARIETTA—First National Bank; S. K. Dick, Vice-Pres. in place of Geo. F. Newell.

ILLINOIS.

CHICAGO—First Mortgage Bond and Trust Co.; absorbed by Royal Trust Co.

GALESBURG—Galesburg National Bank; Andrew Hamilton, Cas., in place of James H. Losey.

ROCKFORD—Manufacturers' National Bank; capital increased to $200,000.

SANDWICH—Sedgwick's Bank; W. W. Sedgwick, Pres., deceased.

SECOR—First National Bank; Edward F. Dierking, Vice-Pres., deceased.

TAYLORVILLE—Farmers' National Bank; A. G. Barnes, Pres., deceased.

WYOMING—National Bank of Wyoming; W. H. Colgan, Pres., deceased.

INDIAN TERRITORY.

MUSKOGEE—City National Bank; Geo. K. Williams, Vice-Pres.

TAHLEQUAH—Cherokee National Bank; Waddie Hudson, Vice-Pres. in place of J. W. Perry; W. H. Turner, Cas. in place of C. B. Reiney; Allen Park, Asst. Cas. in place of W. H. Turner.

IOWA.

DAVENPORT—Farmers and Mechanics' Bank; Claus Stoltenberg, Pres. in place of Fred Heinz, deceased; Rudolph Rohlffs, Vice-Pres.

ESSEX—Commercial National Bank; A. Wenstrand, Vice-Pres. in place of Oliver Bussard.

IOWA FALLS—State Bank; S. R. Cross, Pres.; B. H. Thomas, Vice-Pres.

OTTUMWA—Ottumwa National Bank and Wapello County Savings Bank; Robert W. Funk, Asst. Cas. in place of W. S. Hogue, resigned.

KANSAS.

EL DORADO—El Dorado National Bank; J. S. Kline, Vice-Pres. in place of A. E. Nuttle.

GARDEN CITY—First National Bank; I. N. McBeth, Pres. in place of D. C. Holcomb.

KENTUCKY.

BURGIN—Farmers' Bank; capital increased to $20,000.

CARLISLE—First National Bank; James W. Berry, Pres. in place of B. F. Reynolds.

OWENSBORO—Central Trust Co.; F. T. Gunther, Vice-Pres.; Lawson Reno, 2d Vice-Pres. and Mgr.; Wm. L. Reno, Sec. in place of G. T. Herr, resigned.

SALVISA—Farmers' Bank; N. E. Gill, Pres., deceased.

LOUISIANA

LAKE PROVIDENCE—First National Bank; J. S. Guenard, Vice-Pres. in place of E. J. Hamley; A. J. McKee, Asst. Cas.; J. D. Dabney, Asst. Cas.

WELSH—Welsh National Bank; Charles P. Martin, Pres. in place of A. P. Pujo, resigned.

MARYLAND.

BALTIMORE—National Exchange Bank; William T. Dixon, Pres., deceased.

HAGERSTOWN—Hagerstown Bank; John L. Bikle, Cas., deceased.

MASSACHUSETTS.

BARRE—First National Bank; C. F. Atwood, Pres. in place of C. H. Follansby.

BOSTON—National Bank of Commerce; W. R. Whittemore, Cas. in place of Geo. W. Harris; E. H. Gleason, Asst. Cas. in place of W. R. Whittemore.

CLINTON—First National Bank; W. Hamilton, Cas. in place of C. L. S. Hammond; F.

M. Hammond, Asst. Cas. in place of Wm. Hamilton.

LOWELL—Traders' National Bank; James H. Mills, Pres. in place of Chas. J. Glidden.

MALDEN—First National Bank; Albert H. Davenport, Pres. in place of Elisha S. Converse.

MICHIGAN.

FLINT—First National Bank; Bruce J. Macdonald, Asst. Cas.

HOUGHTON—Citizens' National Bank; no Vice-Pres. and Cas. in place of C. H. Hall, resigned.

LAKE LINDEN—First National Bank; no Cas. in place of John E. Jones, deceased.

WAYNE—Wayne Savings Bank; Geo. H. Stellwagen, Vice-Pres., deceased.

MINNESOTA.

ARGYLE—First National Bank; B. J. Thompson, Vice-Pres.

FERGUS FALLS—Fergus Falls National Bank; G. A. Ericson, Asst. Cas., deceased.

MISSISSIPPI.

INDIANOLA—Bank of Indianola; capital increased to $250,000.

STARKVILLE—Security State Bank; J. W. Carpenter, Cas. in place of A. J. Moore; Paul Castles, Asst. Cas.

MISSOURI.

KANSAS CITY—Pioneer Trust Co.; Bird S. McGarvey, Asst. Cas. in place of Henry Teal, resigned.

ST. LOUIS—Missouri-Union Trust Co. and Lincoln Trust Co.; consolidated under title of Missouri-Lincoln Trust Co.; capital, $3,000,000.

STURGEON—Farmers and Merchants' Bank and Bank of Sturgeon; consolidated under latter title.

NEBRASKA.

NELSON—First National Bank; J. G. Richmond, Asst. Cas. in place of R. A. R. Martin.

PONCA—Security State Bank; capital increased to $65,000.

NEW JERSEY.

CAMDEN—First National Bank; John F. Starrt, Pres., deceased.

FRENCHTOWN—Union National Bank; William H. Martin, Pres., deceased.

JERSEY CITY—Third National Bank; James G. Morgan, Vice-Pres. in place of Henry Lembeck.

NEW YORK.

ALBANY—First National Bank; Noel E. Sisson, Vice-Pres., deceased.

COHOES—Manufacturers' Bank; William Moore, Vice-Pres., deceased.

CUBA—First National Bank; W. J. Penny, Vice-Pres. in place of Geo. D. Whipple.

RIVERHEAD—Riverhead Bank; S. M. Foster, Cas., resigned.

SYRACUSE—Salt Springs National Bank; no Vice-Pres. in place of E. K. Butler and Robert Hudson; L. H. Groesbeck, Cas. in place of Wm. A. Wynkoop.

NORTH CAROLINA.

LILLINGTON—Bank of Lillington; W. W. Mills, Pres., resigned; A. F. Johnson, Acting Pres.

NORTH DAKOTA.

FARGO—Red River Valley National Bank; Robert Jones, Pres. in place of R. S. Lewis, resigned.

OHIO.

AKRON—Guardian Savings Bank Co.; absorbed by Central Savings Bank Co.

BERLIN HEIGHTS—Berlin Heights Banking Co.; William H. Hine, Pres., deceased.

CINCINNATI—Ohio Valley National Bank; absorbed by First National Bank.

FREMONT—First National Bank; Anson H. Miller, Pres. in place of J. W. Wilson.

MILFORD—Milford National Bank; John B. Iuen, Pres., deceased.

MONTPELIER—First National Bank; John Bailey, Pres. in place of Calvin Hathaway; E. A. Collins, Vice-Pres. in place of John Bailey; A. C. Hause, Cas. in place of O. M. Burns; Simon B. Walter, Asst. Cas. in place of A. C. Hause.

NORTH BALTIMORE—First National Bank; J. H. Stahl, Vice-Pres. in place of A. W. Adams; C. J. Rockwell, Cas. in place of Andrew Emerine, Jr.; no Asst. Cas. in place of D. E. Peters.

OAK HARBOR—First National Bank; Charles H. Graves, Pres. in place of Jacob Kuebeler, deceased; August Kuebeler, Jr., Vice-Pres. in place of Charles H. Graves.

RIPLEY—Ripley National Bank; Luther Kirkpatrick, Pres. in place of W. A. Blair; Leon Wiles, Cas.

SHELBY—First National Bank; John Dempsey, Pres., deceased.

TOLEDO—Broadway Savings Bank; Geo. T. Metzgar, Pres. in place of C. B. Phillips.

WARREN—Union National Bank; William Wallace, Cas. in place of E. D. Kennedy.

OKLAHOMA.

EDMOND—Citizens' Bank; W. M. Hunt, Cas., deceased.

WEATHERFORD—First National Bank; O. B. Kee, Pres. in place of Chas. E. Davis; Charles E. Davis, Vice-Pres. in place of H. K. Schafer; Anton Hiber, Jr., Vice-Pres.; Charles E. Shaw, Cas. in place of O. H. Cafky; P. E. Schaub, Asst. Cas. in place of V. V. Harris.

PENNSYLVANIA.

BEDFORD—First National Bank; Oscar D. Doty, Pres. in place of Edward F. Kerr; A. B. Egolf, Vice-Pres. in place of Oscar D. Doty.

MAHANOY CITY—Union National Bank; Ira W. Barnes, Asst. Cas.

PHILADELPHIA—City Trust, S D. and Surety Co.; Charles M. Swain, Pres.. deceased.

PITTSTON—Miners' Savings Bank; Charles M. Hileman, Cas., deceased.

TAMAQUA—First National Bank; F. Jos. Freiler, Cas. in place of W. H. Kneedler.

WEATHERLY—First National Bank; W. F. Wagner, Cas. in place of Ira W. Barnes.

SOUTH CAROLINA.

ROCK HILL—National Union Bank; Ira B. Dunlap, Cas. in place of L. C. Harrison; C. L. Cobb, Asst. Cas. in place of Ira B. Dunlap; M. F. Cobb, Asst. Cas.

SOUTH DAKOTA.

ALEXANDRIA—Farmers' Bank; Joseph Lunn, Pres., deceased.

TENNESSEE.

BIG SANDY—Citizens' Bank; S. W. Bullock, Pres., deceased.

CLARKSVILLE—Clarksville National Bank; Archer Howell, Cas. in place of Archer Howell, Sr., deceased; R. E. Atkins, Asst. Cas.

NASHVILLE—Merchants' National Bank; James McLaughlin, Pres., deceased.

TEXAS.

BAIRD—First National Bank; no Cas. in place of W. C. Powell.

CISCO—Citizens' National Bank. Wm. Bohning, Pres. in place of J. P. Webster; W. H. Eddleman, Vice-Pres. in place of J. J. Butts; M. S. Stamps, Asst. Cas.

DECATUR—City National Bank; W. P. Thurmond, Vice-Pres. in place of E. L. Lillard.

HICO—Hico National Bank; J. W. Mingus, Asst. Cas.

KILLEEN—First National Bank; Will Rancier, Asst. Cas.——First National Bank; Spencer Young, Pres. in place of J. E. Root; J. E. Root, Vice-Pres. in place of J. W. Pace; Sam Rancier, Cas. in place of F. S. White.

MADISONVILLE—First National Bank; R. Wiley, Cas. in place of John S. Kennedy; no Asst. Cas. in place of J. H. Robinson, Jr.

MANOR—Farmers' National Bank; J. G. Wheeler, Pres. in place of J. L. Rich; A. K. Anderson, Vice-Pres.

SHAMROCK—First National Bank; O. F. Nicholson, Asst. Cas.

VERMONT.

ST. ALBANS—Weldon National Bank; W. B. Fonda, Vice-Pres. in place of F. Stewart Stranahan.

VIRGINIA.

FARMVILLE—First National Bank; John W. Long, Cas. in place of A. G. Clapham.

SUFFOLK—Bank of Suffolk; capital increased to $150,000.

WASHINGTON.

DAYTON—Columbia National Bank; J. W. Jessee, Cas. in place of G. M. Rice; Geo. W. Jackson, Asst. Cas. in place of J. W. Jessee.

SEATTLE—Dexter Horton & Co.; Dexter Horton, deceased.

WEST VIRGINIA.

BLUEFIELD—Flat Top National Bank; R. E. Bolling, Cas. in place of W. H. Wheelwright; F. E. King, Asst. Cas.

CHARLESTOWN—National Citizens' Bank; B. F. Langdon, Vice-Pres.

GRAFTON—First National Bank; L. Mallonee, Vice-Pres.; O. Jay Fleming, Cas. in place of L. Mallonee.

NEW MARTINSVILLE—First National Bank; H. Koontz, Cas. in place of J. Lee Harne.

WISCONSIN.

CAMBRIDGE—Bank of Cambridge; Geo. Dow, Pres., deseased.

TIGERTON—First National Bank; R. H. Hackett, Pres. in place of W. K. Rideout; R. T. Morgan, Vice-Pres., in place of R. H. Hackett.

WYOMING.

CHEYENNE—Stock Growers' National Bank; no Vice-Pres. in place of I. C. Whipple; W. L. Whipple, Cas. in place of J. D. Freeborn; no Asst. Cas. in place of W. L. Whipple.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

IOWA.

GRINNELL—First National Bank; in hands of Receiver July 27.

SIOUX RAPIDS—First National Bank; in voluntary liquidation July 25.

MASSACHUSETTS.

WEYMOUTH—Union National Bank.

NEW YORK.

NEW YORK CITY—Hahlo Bros.

OHIO.

MIAMISBURG—Citizens' National Bank; in voluntary liquidation to take effect July 11.

WEST LIBERTY—Liberty Bank.

OREGON.

SUMPTER—Bank of Sumpter.

RHODE ISLAND.

PROVIDENCE—Weybosset National Bank; in voluntary liquidation July 26.

VERMONT.

SWANTON—People's National Bank.

WASHINGTON.

STARBUCK—First Bank.

Praise for The Magazine.—J. H. Niendorff, of Marshall, Tex., writes under date of Sept. 2: "I am a subscriber THE BANKERS' MAGAZINE, and I wish to say that I believe it the soundest of the many similar journals which I have access to, and the one that most nearly satisfies the man who has neither the time nor disposition to read anything but the best."

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, September 2, 1904.

AN EXCEPTIONAL ADVANCE IN THE PRICES OF SECURITIES makes the month just closed one of the notable months of the year. While there have been "bull" markets in August before this year, still not much is usually expected in the month which ordinarily marks mid summer dullness. This year August has made many records for the year in the quotations of both stocks and bonds. The buying of bonds was strongly suggestive of an investor's interest in the market, and the theory was frequently advanced that investment money was gleaning the bond market. A comparison of the prices now ruling for first-class bonds with those earlier in the year will show an appreciation in many cases ranging from 5 to 10 per cent., and even beyond these figures

In the stock market there was a strong upward movement which continued until near the close of the month. A majority of stocks reached the highest prices of the year during the month, and a number closed at about the highest for the month. About 12,500,000 shares of stock were traded in at the Stock Exchange. which is the largest month's total so far in 1904, and considerably more than double the number of shares sold in either May or June. Last year and in 1902 the August sales of stocks were in excess of $14,000,000 shares. The sales of bonds amounted to $68,000,000, the largest for any month since January, and the largest for any August since 1898.

The advance in prices of securities has not been without some opposition. Many were the unfavorable crop reports that were circulated, on the strength of which the price of wheat was advanced in a sensational manner. Not in twenty years before were the prices recorded last month reached at this season of the year. No. 2 red sold up to $1.18⅞ in New York, while in August last year the highest price was 89½ cents. Most of the unfavorable news regarding the wheat crop related to the crop in Manitoba and the Northwestern States.

The Government report on condition on August 1st indicated a spring wheat yield of 272,500,000 bushels, which, with an estimate of 333,400,000 for winter wheat, would make a total of about 606,000,000 bushels. Even if this total should be reduced, the last ten years' average of 568,000,000 bushels, is likely to be exceeded. The largest yield was in 1898, when about 748,500,000 bushels were raised, and the yield in 1903 was nearly 606,000,000 bushels.

While the wheat crop promises to be in excess of an average crop, corn is likely to give a record yield, the Government report of August 1st indicating a total of 2,564,000,000 bushels, as compared with a crop of 2,244,000,000 bushels last year. A considerable reduction might be made from this estimate and still leave the yield exceptionally large.

As to the cotton crop, some deterioration has occurred since August 1st, but the condition on September 1st is not much below that of a year ago. The cotton crop of 1903-4 is estimated by Col. King, of the New York Cotton Exchange, at 10,002,-026 bales, and by Col. Hester, of the New Orleans Exchange, at 10,011,374 bales. The decrease, as compared with the previous year, is between 600,000 and 700,000 bales.

With the beginning of the crop movement the usual demand for currency has set in, and some money has already been sent to the interior from New York. How large the outflow of funds will be it is not possible to figure. While a good deal of money is in the banks, West and South, ready for use in moving grain and cotton, there is no doubt that New York will be called upon to supply a considerable amount.

That the banks in this city are well provided with funds at this time is indicated by the exceptionally large surplus reserves they are carrying. On August 20th the surplus was $58,613,075, the largest reported since 1898. In only five other years have the New York Clearing-House banks ever reported a surplus as large as $50,000,000, and not once in the five years prior to 1904 did the surplus reserve ever go much above $30,000,000. That the present surplus is exceptionally large will appear from the following table showing the largest surplus in each year since 1876:

YEAR.	*Maximum Surplus.*	YEAR.	*Maximum Surplus.*	YEAR.	*Maximum Surplus.*
1877	$21,899,150	1887	$22,298,450	1897	$59,148,250
1878	24,232,475	1888	28,463,700	1898	62,206,250
1879	17,877,300	1889	20,014,800	1899	43,983,725
1880	18,471,275	1890	15,031,650	1900	30,871,275
1881	16,738,575	1891	24,089,775	1901	30,799,450
1882	10,895,600	1892	36,020,900	1902	26,623,350
1883	10,007,575	1893	80,815,150	1903	27,880,775
1884	42,297,450	1894	111,623,000	1904	58,613,075
1885	64,724,100	1895	45,880,450		
1886	36,156,425	1896	40,182,425		

Never prior to 1884 did the surplus reach $50,000,000. From 1886 to 1892, inclusive, it did not go above $36,000,000, and since 1894 it did not reach $50,000,000, except in 1897 and 1898, until the present time. The following is a summary of the periods during which the surplus reserve was as much as $50,000,000:

1885—January	17 to February 14 inclusive	5	Weeks.
1885—April	18 to September 5 "	21	"
1893—November	4 to December 30 "	9	"
1894—January	6 to December 1 "	48	"
1897—January	16 to March 13 "	9	"
1898—May	21 to July 9 "	8	"
1904—July	23 to August 27 "	6	"

The longest consecutive period during which the surplus of the New York banks remained above $50,000,000 was from November 4, 1893, to December 1, 1894, or fifty-seven weeks. It was during that period the surplus reached the unprecedented figure of $111,000,000. The two big records were made in 1885 and 1894, and both were the sequel to a severe panic. Prior to 1884 the surplus reserve rarely went above $20,000,000. In May of that year came the panic, in which Grant & Ward and the Marine National Bank failed, and the Metropolitan National Bank temporarily suspended, only to close up permanently a few months later. During the week ended May 16 money loaned on call at 5 per cent. per annum and 3 per cent. per diem, or 1100 per cent. a year. On May 24th the banks reported a deficit of $6,607,125, while $24,915,000 clearing house certificates had been issued to the banks. The shaking down caused by this panic resulted in the accumulation of idle money in the banks for more than a year, until on August 1, 1885, the banks reported a surplus of more than $64,000,000. The following compares the loans, deposits and reserves of the banks on the two dates:

	May 24, 1884.	*August 1, 1885.*	*Change.*
Loan	$313,178,000	$306,309,900	Decrease, $6,868,100
Deposits	296,575,300	383,001,600	Increase, 86,426,300
Specie	45,510,000	115,493,900	" 69,983,900
Legal tenders	22,026,700	44,980,600	" 22,953,900
Total reserve	67,536,700	160,474,500	" 92,937,800
Surplus reserve	*6,607,125	64,724,100	" 71,331,225

*Deficit.

The next period of extraordinary accumulation of money in the New York banks was in 1893 and 1894. Between August 12, 1893, and February 3, 1894, there was a change from a deficit of $16,545,375 to a surplus of $111,623,000. The year 1893 was one of panic and failures, which followed in the wake of silver inflation. The trouble began early in the year, or rather prior to 1893, but became acute early in the summer. The railroads were in bad shape. Reading went into a receiver's hands in February, Erie in July, Northern Pacific in August, Union Pacific in October and Atchison in December. Call money loaned at 60 per cent. in March, 74 per cent. in June and 72 per cent. in July. The clearing-house issued $38,280,000 certificates, or had that many outstanding at one time, on August 29. Congress was called together by President Cleveland to legislate on silver, and met on August 7; then discussed silver for months while "Rome burned." Out of this condition of wreck and ruin sprung the $111,000,000 surplus reserve of February 3, 1894, which has stood on an unapproachable record for more than ten years since. The following compares the condition of the banks on August 12, 1893, and February 3, 1894:

	August 12, 1893.	*February 3, 1894.*	*Change.*
Loans	$411,795,700	$419,530,500	Increase, $7,734,800
Deposits	372,203,500	551,808,400	" 179,604,900
Specie	53,624,800	129,558,900	" 75,934,100
Legal tenders	22,880,700	120,016,200	" 97,135 500
Total reserve	76,505,500	249,575,100	" 173,069,600
Surplus reserve	*16,545,375	111,623,000	" 128,168,375

*Deficit.

In both the instances presented above the season of panic was followed by a large increase in deposits and reserves and no increase of any account in loans. A study of the accumulation of the next largest reserve, $62,206,200 in 1898, shows a similar trend, but extending over a shorter period, the accumulation running from December 24, 1897, to June 22, 1898. It was the period during which the war with Spain caused wide fluctuations in the stock market.

The present accumulation of reserves did not start in any condition of panic, although it has followed a shutting off of some of the speculative ardor which once caused the stock market to seethe and boil. As to the future it is not safe to predict, but excessive surplus reserves, while their existence is significant of dullness and depression, are apt to bring activity when they begin to decline.

No fear seems to be entertained of a stringency in the money market, although greater activity in business is looked for. As to the general condition of business in the country inquiries made by the Commercial National Bank of Chicago throughout the section of which Chicago is the financial and commercial center, have brought out most satisfactory replies. Barring labor troubles the situation in the West is hopeful, while the South has the prospect of a good price for cotton and plenty of cotton.

Labor troubles are, it must be admitted, an unfavorable condition of no small dimensions at the present time. A number of strikes are under way which involve serious losses to innumerable people, in fact, to the whole community. At Fall River 25,000 operatives have been idle more than a month, and wages aggregating $800,000 have been lost, nor is the end in sight.

It is impossible to measure the loss which has resulted from the beef-handlers' strike. The Bureau of Statistics, however, reports that in July, as compared with the same month last year, there has been a decrease of over a million head of live stock, or from 2,620,046 head in 1903 to 1,554,451 head in 1904 in the receipts at the five markets of Chicago, Kansas City, Omaha, St. Louis and St. Joseph. Only 30,741 cars of live stock were handled at these points in July, 1904, as compared with 52,752 cars in July, 1903, a loss of 41 per cent.

To some extent the earnings of the railroads have been affected by labor strug-

gles, although the railroads themselves had few controversies with their employes. Another unfavorable influence from which the railroads are suffering is the depression in the iron and steel trades. Prices are being cut and production is being curtailed. Recent experience has apparently demonstrated that no aggregation of capital can prevent fluctuation in prices or waves of depression.

The reports of gross and net earnings of the railroads for the first half of 1904 show a decrease in gross earnings, an increase in operating expenses, and a large decrease in net earnings. The losses, however, were largely in the early part of the year, and to a great degree were due to the severe weather in the winter months. Much more favorable results were shown in June. In the larger portion of the country the railroads are looking for a very active business this coming autumn and winter, and probably at no time before were the railroads in as good physical condition as regards road bed and equipment as now, an important factor in the economical operation of a railroad.

The returns from our foreign trade are not as favorable as they were a short time ago, the exports in July being valued at less than $85,000,000, as compared with about $92,000,000 in 1903, $89,000,000 in 1902, and $109,000,000 in 1901. In fact, the exports during the three months ending July 31st have been smaller than in a number of years, the total in 1904 being $268,000,000, against $288,000,000 in 1903, and $337,000,000 in 1901. The falling off, however, has been in products of agriculture, these showing a decrease of $12,000,000 compared with 1903, while manufactures gained $5,000,000.

The United States Treasury is still reporting a deficit, and the available cash balance, exclusive of the $150,000,000 gold reserve, is now about $148,000,000. As about $113,000,000 is now on deposit in National banks, and nearly $6,500,000 in the Treasury of Philippine Islands, the available balance actually in the Treasury is only about $28,500,000. And now there are rumors that the Secretary of the Treasury may withdraw some funds from the bank depositaries.

THE MONEY MARKET.—Money on call in the local market is very easy with the ruling rate not above 1 per cent. Time money continues practically unchanged but shows a firm undertone, higher rates being looked for when the movement of the crops becomes more general. Commercial paper is in only moderate supply. At the close of the month call money ruled at ⅞ @ 1 per cent., averaging a little less than 1 per cent. Banks and trust companies loaned at 1 per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 2 per cent. for 60 days, 2½ per cent. for 90 days, 3 per cent. for 4 months, and 3½ per cent. for 5 to 6 months, on good mixed collateral. For commercial paper the rates are 3½ @ 3¾ per cent. for 60 to 90 days' endorsed bills receivable, 3¾ @ 4 per cent. for first-class 4 to 6 months' single names, and 4½ @ 5 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Apr. 1.	May 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1⅛ – 1¾	1 – 1¼	1¼ – 1½	1⅛ – 1¼	¾ – 1	⅞ – 1
Call loans, banks and trust companies	1¾ –	1 – 1¼	1½ –	1¼ –	1 –	1 –
Brokers' loans on collateral, 30 to 60 days	2½ – 3	2¼ –	2¼ –	2 –	2 –	2 –
Brokers' loans on collateral, 90 days to 4 months	3 – 3¼	2½ – ¾	2¼ – 3	2¼ – ¾	2½ – 3	2½ – 3
Brokers' loans on collateral, 5 to 7 months	3¾ – 4	3 – ½	3½ – 4	3 – ½	3 – ¾	3½ –
Commercial paper, endorsed bills receivable, 60 to 90 days	4¼ – ½	3¾ –	3¾ – 4¼	3½ –	3½ – ¾	3½ – ¾
Commercial paper prime single names, 4 to 6 months	4½ – 5	3¾ – 4¼	4 – 4½	3¾ – 4	3¾ – 4¼	3¾ – 4
Commercial paper, good single names, 4 to 6 months	5 – ½	4½ – 5	4½ – 5	4½ – 5	4½ – 5	4½ – 5

NEW YORK CITY BANKS.—Deposits in the New York Clearing-House banks made a new record last month, reaching $279,000,000 on August 20, but falling off from that figure $1,600,000 in the last week of the month. There has been little change in the amount of loans, and these are close to the high record made on July 23. At the end of the month deposits were $2,300,000 greater than a month ago and loans $1,700,000 greater. Compared with a year ago loans show an increase of nearly $176,000,000 and deposits of $287,000,000, while the deposits now exceen the loans by $108,000,000. At this time last year loans were nearly $3,000,000 in excess of deposits. Reserves increased $1,200,000 in August, a decrease of $5,200,000 in legal tenders being more than offset by an increase of $6,400,000 in specie. The banks now have a surplus reserve exceeeding $57,000,000, compared with less than $21,000,000 a year ago.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 30...	$1,097,338,100	$271,182,900	$86,848,100	$1,204,965,600	$55,989,600	$38,962,900	$1,059,864,500
Aug. 6...	1,095,476,900	273,168,200	84,194,000	1,204,213,400	56,308,850	38,641,500	1,022,928,100
" 13...	1,096,491,400	276,854,900	82,659,700	1,207,132,500	57,731,475	33,293,500	992,146,400
" 20...	1,099,174,400	279,178,700	81,826,000	1,209,570,500	58,613,075	37,614,900	1,114,427,600
" 27...	1,099,057,200	277,578,900	81,622,200	1,207,302,800	57,375,400	37,724,400	1,015,784,000

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1902.*		*1903.*		*1904.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$910,860,800	$7,515,575	$873,115,000	$10,193,850	$866,178,900	$9,541,850
February......	975,997,000	26,623,350	931,778,900	27,880,775	1,023,943,800	25,129,050
March.........	1,017,488,300	9,975,925	956,206,400	5,951,900	1,027,920,400	32,150,200
April..........	965,353,300	6,965,575	894,260,000	6,280,900	1,069,369,400	27,755,050
May...........	968,189,600	7,484,000	905,760,200	11,181,850	1,114,367,800	33,144,250
June..........	948,326,400	11,929,000	913,081,800	9,645,150	1,098,953,500	29,692,325
July	955,829,400	12,978,350	903,719,800	12,923,850	1,152,988,800	36,105,300
August........	957,145,500	13,738,125	908,864,500	24,060,075	1,204,965,600	55,989,600
September....	935,998,500	9,742,775	920,123,900	20,677,925	1,207,302,800	57,375,400
October.......	876,519,100	3,236,625	897,214,400	13,937,500	....	....
November....	893,791,200	21,339,100	885,616,600	10,271,150	....	....
December.....	883,836,800	15,786,300	841,552,000	6,125,200	....	....

Deposits reached the highest amount, $1,209,570,500, on August 20, 1904; loans, $1,099,849,200 on July 23, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

NON-MEMBER BANKS—NEW YORK CLEARING-HOUSE.

DATES.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
July 30....	$92,854,200	$106,129,400	$4,079,900	$5,485,200	$13,761,800	$7,089,400	$3,883,950
Aug. 6....	93,525,300	107,035,700	4,020,400	5,376,600	13,780,600	7,189,300	3,599,975
" 13....	94,466,200	107,919,300	4,069,400	5,664,000	13,799,200	6,909,100	3,457,875
" 20....	94,532,100	107,457,700	4,176,000	5,414,700	13,547,100	6,874,800	3,148,175
" 27....	94,981,600	107,584,500	4,161,200	5,421,400	12,954,900	7,223,100	2,864,475

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
July 30.......	$175,899,000	$218,798,000	$18,076,000	$7,032,000	$7,343,000	$111,951,400
Aug. 6.......	177,576,000	219,028,000	17,154,000	6,799,000	7,362,000	118,287,500
" 13.......	177,446,000	217,437,000	17,527,000	6,831,000	7,406,000	111,258,500
" 20.......	177,683,000	222,095,000	17,035,000	6,925,000	7,302,000	109,908,900
" 27.......	177,254,000	216,084,000	16,923,000	6,849,000	7,328,000	....

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
July 30	$196,111,000	$242,288,000	$71,962,000	$11,469,000	$91,880,400
Aug. 6	196,743,000	243,550,000	73,025,000	11,421,000	93,634,300
" 13	197,605,000	244,889,000	72,516,000	11,380,000	83,698,500
" 20	197,648,000	247,527,000	73,989,000	11,405,000	92,990,300
" 27	198,217,000	249,561,000	77,111,000	11,436,000	91,640,600

Foreign Exchange.—Sterling exchange was strong early in the month and some engagements of gold for shipment to Europe were reported. These were afterwards cancelled. Toward the end of the month the market became weaker and dull. The prospect of an early and heavy cotton movement tends to weaken rates of sterling.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
July 30	4.8510 @ 4.8520	4.8770 @ 4.8775	4.8810 @ 4.8820	4.84¾ @ 4.84⅞	4.84⅛ @ 4.85⅜
Aug. 6	4.8525 @ 4.8535	4.8810 @ 4.8820	4.8870 @ 4.8875	4.84⅞ @ 4.85	4.84¼ @ 4.85⅞
" 13	4.8545 @ 4.8555	4.8815 @ 4.8820	4.8865 @ 4.8870	4.85⅛ @ 4.85¼	4.84½ @ 4.85¾
" 20	4.8515 @ 4.8555	4.8810 @ 4.8815	4.8860 @ 4.8865	4.85¼ @ 4.85⅜	4.84⅜ @ 4.85⅞
" 27	4.8520 @ 4.8530	4.8780 @ 4.8790	4.8830 @ 4.8840	4.84⅞ @ 4.85	4.84¼ @ 4.85⅝

Foreign Exchange—Actual Rates on or about the First of each Month.

	May. 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
Sterling Bankers—60 days	4.84⅞—85	4.85⅜ — ½	4.85¼ — ⅜	4.85 — ⅛	4.84¾— 85
" " Sight	4.87 — ⅛	4.87¼ — ⅜	4.87⅛—	4.87¾—	4.87½— ⅝
" " Cables	4.87¼— ⅜	4.87½— ⅝	4.87½—	4.88⅛— ¼	4.88 — ⅛
" Commercial long	4.84½— ⅝	4.85 — ¼	4.85 — ⅛	4.84¾— ⅞	4.84¼— ¾
" Docu'tary for paym't.	4.84 — ¾	4.84¼—85½	4.84¼— ⅞	4.84⅛— 5⅜	4.84 — 5½
Paris—Cable transfers	5.15 1/16— 1/32	5.15 1/16— 1/32	5.16⅞—	5.16⅞— ¼	5.16⅞—
" Bankers' 60 days	5.18⅛—17½	5.17½— 16⅞	5.18⅛—17½	5.18¾— ⅛	5.18¾—
" Bankers' sight	5.15⅝—	5.15⅝—	5.16⅞—	5.17½—16⅞	5.17½—
Swiss—Bankers' sight	5.16⅞ — ¼	5.16¼—	5.16⅞—	5.16⅞—	5.17½—16⅞
Berlin—Bankers' 60 days	94 15/16—95	95 1/16— ⅛	95 1/16— ⅛	95 1/16	94⅞— 15/16
" Bankers' sight	95 5/16— ⅜	95½— 9/16	95½—	95⅜—	95 5/16— ⅜
Belgium—Bankers' sight	5.16⅞—	5.16¼—	5.16⅞—	5.16⅞—	5.17½—16⅞
Amsterdam—Bankers' sight	40⅜—	40 5/16—	40 5/16— ⅜	40 5/16— ⅜	40¼— 5/16
Kronors—Bankers' sight	26.81 —26.83	26.86—26.88	26.86— 26.88	26.84—26.86	26.84—26.86
Italian lire—sight	5.16¼—15⅝	5.16⅞ — ¼	5.16¼ —	5.16⅞ —	5.17½—16⅞

Foreign Banks.—The principal changes in the gold holdings of the European banks last month were: a gain of $9,000,000 by the Bank of England, a loss of $6,000,000 by the Bank of France, a gain of $3,000,000 by the Bank of Germany and a gain of $7,000,000 by the Bank of Russia.

Gold and Silver in the European Banks.

	July 1, 1904.		Aug. 1, 1904.		Sept. 1, 1904.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£35,339,282	....	£34,668,605	....	£36,519,641	....
France	111,059,377	£45,316,051	108,774,908	£45,085,663	107,571,843	£44,875,561
Germany	36,872,000	12,955,000	35,470,000	12,463,000	35,898,000	12,618,000
Russia	91,330,000	8,231,000	92,220,000	8,390,000	93,621,000	8,625,000
Austria-Hungary	47,118,000	13,015,000	48,286,000	12,759,000	48,265,000	12,543,000
Spain	14,716,000	20,533,000	14,326,000	20,416,000	14,758,000	20,397,000
Italy	22,104,000	3,992,000	22,352,000	3,989,600	22,118,000	3,957,700
Netherlands	5,477,000	6,661,600	5,475,200	6,506,600	5,480,400	6,415,800
Nat. Belgium	3,032,667	1,516,333	3,050,667	1,525,333	3,108,667	1,554,333
Totals	£367,048,326	£112,219,984	£364,623,380	£111,135,196	£367,340,551	£110,981,394

MONEY RATES ABROAD.—The Bank of England has made no change in its rate of discount which was made 3 per cent. last April. A year ago the bank advanced its rate from 3 to 4 per cent. Open market rates at the European centers are generally low. The bank rate at Paris is 3 per cent. and at Berlin 4 per cent. Discounts of 60 to 90 day bills in London at the close of the month were $2\frac{7}{8}$ per cent., against $2\frac{7}{8}$ @ 3 per cent. a month ago. The open market rate at Paris was $1\frac{1}{8}$ @ $1\frac{1}{4}$ per cent., against $1\frac{3}{8}$ per cent. a month ago, and at Berlin and Frankfort $2\frac{3}{4}$ @ $2\frac{7}{8}$ per cent., against $2\frac{3}{4}$ per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	May 26, 1904.	*June 30, 1904.*	*July 13, 1904.*	*Sept. 1, 1904.*
Circulation (exc. b'k post bills)	£27,973,000	£28,869,000	£28,741,605	£28,703,000
Public deposits	7,407,000	9,023,000	6,724,146	6,245,000
Other deposits	39,764,000	50,258,000	41,143,779	43,455,000
Government securities	16,961,000	15,988,000	16,903,766	14,234,000
Other securities	25,337,000	26,246,000	25,150,891	17,318,000
Reserve of notes and coin	22,758,000	24,920,000	23,857,264	24,556,000
Coin and bullion	32,680,338	35,339,282	34,148,869	34,500,000
Reserve to liabilities	$48\frac{1}{8}$%	$41\frac{7}{8}$%	$49\frac{3}{16}$%	$53\frac{1}{4}$%
Bank rate of discount	3%	3%	3%	3%
Price of Consols ($2\frac{1}{2}$ per cents.)	$90\frac{1}{16}$	$90\frac{1}{2}$	$89\frac{5}{8}$	$88\frac{3}{4}$
Price of silver per ounce	$25\frac{5}{8}$d.	$26\frac{1}{8}$d.	$26\frac{11}{16}$d.	$26\frac{1}{4}$d.

SILVER.—The silver market in London was weaker last month the price declining to 26 3-16d. after touching 27d. early in the month. The closing price was $26\frac{1}{4}$d., a net decline of $\frac{5}{8}$d.

MONTHLY RANGE OF SILVER IN LONDON—1902, 1903, 1904.

MONTH.	1902.		1903.		1904.		MONTH.	1902.		1903.		1904.	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	$26\frac{1}{16}$	$25\frac{5}{8}$	$22\frac{5}{8}$	$21\frac{11}{16}$	$27\frac{5}{16}$	$25\frac{1}{8}$	July......	$24\frac{9}{16}$	$24\frac{3}{16}$	$25\frac{5}{8}$	$24\frac{1}{4}$	27	$26\frac{5}{8}$
February	$25\frac{5}{8}$	$25\frac{5}{16}$	$22\frac{5}{16}$	$21\frac{7}{8}$	$27\frac{1}{8}$	$25\frac{5}{8}$	August ..	$24\frac{7}{16}$	$24\frac{1}{8}$	$26\frac{3}{4}$	$25\frac{5}{16}$	27	$26\frac{3}{16}$
March....	$25\frac{7}{16}$	$24\frac{13}{16}$	$22\frac{13}{16}$	$22\frac{1}{8}$	$26\frac{11}{16}$	$25\frac{1}{8}$	Septemb'r	$24\frac{1}{8}$	$23\frac{9}{16}$	$26\frac{7}{16}$	$26\frac{3}{16}$	....	....
April.....	$24\frac{7}{8}$	$23\frac{5}{16}$	$25\frac{5}{16}$	$22\frac{5}{8}$	$25\frac{1}{2}$	$24\frac{7}{16}$	October..	$23\frac{13}{16}$	$23\frac{1}{4}$	$28\frac{1}{2}$	$27\frac{7}{16}$	....	....
May......	$24\frac{1}{8}$	$23\frac{5}{16}$	$25\frac{1}{4}$	$24\frac{5}{16}$	$25\frac{13}{16}$	$25\frac{1}{8}$	Novemb'r	$23\frac{1}{4}$	$21\frac{3}{4}$	$27\frac{5}{8}$	$26\frac{1}{4}$	....	....
June.....	$24\frac{7}{16}$	$23\frac{13}{16}$	$24\frac{5}{16}$	$24\frac{1}{8}$	$26\frac{1}{8}$	$25\frac{5}{16}$	Decemb'r	$22\frac{1}{2}$	$21\frac{13}{16}$	$26\frac{1}{8}$	25	....	....

Fine gold bars on the first of this month were at par to $\frac{1}{4}$ per cent. premium on the Mint value. Bar silver in London, $26\frac{1}{4}$d. per ounce. New York market for large commercial silver bars, $57\frac{1}{8}$ @ $58\frac{5}{8}$c. Fine silver (Government assay), $57\frac{1}{4}$ @ $58\frac{7}{8}$c. The official price was 57c.

GOLD AND SILVER COINAGE.—The amount of gold coined at the mints in August was $1,385,000, of silver $1,591,000 and of fractional coin $206,020, a total of $3,182,020. There were no silver dollars coined. The coinage for the Philippine Government aggregated 2,256,000 pieces in pesos.

COINAGE OF THE UNITED STATES.

	1902.		1903.		1904.	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$7,660,000	$2,908,637	$7,635,178	$1,707,000	$2,765,000	$4,657,000
February	6,643,850	2,489,000	7,488,510	1,521,000	35,603,500	1,475,000
March	1,558	2,965,577	6,879,920	1,595,987	63,605,790	1,491,509
April	3,480,315	3,388,273	137,400	1,809,000	26,177,600	1,158,000
May	426,000	1,873,000	69,000	1,584,000	44,109,000	380,000
June	500,345	2,464,353	610	3,840,222	14,884,400	342,143
July	2,120,000	2,254,000	....	387,327	....	455,519
August	8,040,000	2,236,000	450,000	452,000	1,385,000	1,591,000
September	3,560,880	2,831,165	445,692	1,807,469	....	....
October	1,890,000	2,287,000	1,540,000	2,324,000	....	....
November	2,675,000	2,399,000	8,794,600	1,401,000	....	....
December	6,277,925	1,982,216	10,043,060	1,567,485	....	....
Year	$47,109,852	$29,928,167	$43,683,970	$19,874,440	$188,530,290	$11,650,171

NATIONAL BANK CIRCULATION.—An increase of more than $2,300,000 in the volume of National bank notes outstanding is reported for the month of August, making the total $452,516,773. This is a new record for bank currency and exceeds by $90,000,000 the highest record made prior to 1902. The National banks have $419,683,940 bonds deposited to secure circulation, and have $417,380,300 notes based upon these bonds. Under the former law the circulation upon the same amount of bonds would have been about $40,000,000 less than it is now.

NATIONAL BANK CIRCULATION.

	May 31, 1904.	*June 30, 1904.*	*July 31, 1904.*	*Aug. 31, 1904.*
Total amount outstanding	$445,988,565	$449.235,095	$450,206,888	$452,516,773
Circulation based on U. S. bonds	407.279,034	412,759,449	415,025,156	417,380,300
Circulation secured by lawful money	38,709,531	36,475,646	35,181,732	35,136,473
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	3,929.250	4,215,500	4,427,000	4,609,500
Four per cents. of 1895	1,802,100	1,822.100	1,822,100	1,790,100
Three per cents. of 1898	1,794.940	1,815,440	1,799,940	1,983,440
Two per cents. of 1900	403,046,350	408,163,650	409,909,650	411,300,900
Total	$410,572,640	$416,016,690	$417,958,690	$419,683,940

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,692,750; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $10,622,050; 3 per cents. of 1898, $6,835,500; 2 per cents. of 1930, $80,461,750; District of Columbia 3.65's, 1924, $1,784,000; State and city bonds, $2,971,500; Philippine Island certificates, $2,218,000; Hawaiian Islands bonds, $1,072,000; Philippine loan, $2,022,000, a total of $116,779,550.

GOVERNMENT REVENUES AND DISBURSEMENTS—The second month in the fiscal year of the Government shows a deficit of $6,343,212 as against $17,407,728 in the first month. In August last year the receipts were $6,800,000 more than the expenditures. The month's receipts compared with 1903 decreased nearly $5,000,000 while the expenditures increased $8,000,000. For the two months ended August 31 there is a deficit of $23,750,940 as against a deficit of $1,000,000 for the same period in 1903.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*August, 1904.*	*Since July 1, 1904.*
Customs	$22,417,674	$41,901,424
Internal revenue	18,776,685	39,010,691
Miscellaneous	3,709,032	10,777,664
Total	$44,903,391	$91,689,779
Excess expenditures	6,343,212	23,750,940

EXPENDITURES.

Source.	*August, 1904.*	*Since July 1, 1904.*
Civil and mis	$10,488,102	$27,052,270
War	14,024,489	32,508,773
Navy	9,961,493	22,145,147
Indians	1,160,563	2,117,824
Pensions	13,731,894	25,786,274
Interest	1,860,062	5,830,431
Total	$51,246,603	$115,440,719

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of circulation was increased $11,600,000 in August, $5,000,000 of which was in gold coin and certificates and the remainder in the various other classes of money. The increase in circulation since January 1st is $92,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1904.	*July 1, 1904.*	*Aug. 1, 1904.*	*Sept. 1, 1904.*
Gold coin	$627,970,533	$646,586,319	$644.112,980	$646,664,812
Silver dollars	81,573,223	71,561,684	70,581,561	71,507,729
Subsidiary silver	97,631,352	94,603,028	94,577,050	95,994,732
Gold certificates	421,080,019	464,806,629	500,864,129	503,719,459
Silver certificates	465,836,290	462,578,715	459,521,910	461,520,160
Treasury notes, Act July 14, 1890	15,828,853	12,927,287	12,550,766	12,168,187
United States notes	343,272,438	334,491,977	331,679,234	332,811,219
National bank notes	413,153,189	433,595,888	432,701,873	433,893,686
Total	$2,466,345,897	$2,521,151,527	$2,546,589,503	$2,558,279,984
Population of United States	81,177,000	81,867,000	81,982,000	82,098,000
Circulation per capita	$30.38	$30.80	$31.06	$31.16

MONEY IN THE UNITED STATES TREASURY.—The United States Treasury has about $3,000,000 more money than it held a month ago, but the increased issue of certificates makes the net cash show a decrease of a little more than $1,000,000. The Treasury gained about $2,000,000 in net gold.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1904.	*July 1, 1904.*	*Aug. 1, 1904.*	*Sept. 1, 1904.*
Gold coin and bullion	$686,651,991	$680,136,382	$698,309,760	$703,131,753
Silver dollars	477,594,756	496,418,635	497,398,758	496,304,090
Silver bullion	11,579,510	5,081,225	4,916,944	3,908,351
Subsidiary silver	8,306,927	11,561,820	11,926,290	12,464,060
United States notes	3,408,578	12,189,039	15,001,782	13,869,797
National bank notes	12,009,829	15,639,207	17,505,015	18,623,087
Total	$1,199,551,591	$1,221,026,308	$1,245,058,549	$1,248,401,138
Certificates and Treasury notes, 1890, outstanding	902,745,162	940,312,631	972,936,805	977,407,806
Net cash in Treasury	$296,806,429	$280,713,677	$272,121,744	$270,993,332

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1904.	*July 1, 1904.*	*Aug. 1, 1904.*	*Sept. 1, 1904.*
Gold coin and bullion	$1,314,622,524	$1,326,722,701	$1,342,422,740	$1,349,896,565
Silver dollars	559,167,979	567,980,319	567,980,319	567,811,819
Silver bullion	11,579,510	5,081,225	4,916,944	3,908,351
Subsidiary silver	105,938,279	106,164,848	106,503,340	108,458,792
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	449,235,095	450,206,888	452,516,773
Total	$2,763,152,326	$2,801,865,204	$2,818,711,247	$2,829,273,316

UNITED STATES FOREIGN TRADE.—In only two months since August, 1897, were the exports of merchandise smaller than in July, 1904. The value in the latter month of our merchandise exports was $84,883,431. In July, 1898, it was $72,525,-049, and in August of the same year $84,565,561. The exports fell off $8,000,000 compared with June, and $7,000,000 compared with July, 1903. The difference in the export movement, comparing July with last December, is extraordinary. In the latter month the exports were nearly $175,000,000. Imports, however, show a larger decline than exports, the total in July being $71,123,520, or $10,000,000 less than in June, and $11,000,000 less than in July, 1903. The balance of net exports was $13,759,911, as compared with about $9,600,000 in July in each of the previous two years. We imported gold to the amount of $7,842,169 net, while in each of the previous two years we exported gold in July. We have now entered the merchandise exporting season, and for the next six months or more the export balances ought to be very large.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JULY.	MERCHANDISE.				*Gold Balance.*		*Silver Balance.*	
	Exports.	*Imports.*	*Balance.*					
1899	$94,926,170	$60,101,744	Exp.,	$34,824,426	Imp.,	$289,012	Exp.,	$1,271,676
1900	100,452,807	63,659,692	"	36,793,115	"	7,990,593	"	1,569,565
1901	109,452,510	73,082,435	"	36,370,075	"	1,200,993	"	1,276,674
1902	88,790,627	79,147,874	"	9,642,753	Exp.,	6,289,918	"	1,395,334
1903	91,813,265	82,187,823	"	9,625,442	"	4,486,551	"	451,209
1904	84,883,431	71,123,520	"	13,759,911	Imp.,	7,842,169	"	3,153,497
SEVEN MONTHS.								
1899	687,944,803	448,546,623	Exp.,	239,398,180	Exp.,	3,876,665	Exp.,	13,954,909
1900	812,486,551	503,078,345	"	309,408,206	"	5,824,212	"	13,090,963
1901	831,805,132	506,523,539	"	324,781,593	"	12,362,263	"	14,575,410
1902	726,986,790	535,490,016	"	191,496,774	"	13,378,811	"	11,702,630
1903	789,465,174	594,932,332	"	194,532,842	"	21,846,738	"	7,975,254
1904	758,658,208	579,461,073	"	179,197,135	"	12,843,498	"	15,745,596

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of August, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903:

	Year 1903.		Highest and Lowest in 1904.		August, 1904.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	89⅞	54	82½—Aug. 15	64 —Feb. 24	82½	76⅝	80¾
" preferred	103⅛	84⅝	99¼—Aug. 29	87⅝—Jan. 6	99¼	95½	98⅛
Baltimore & Ohio	104	71⅝	87⅛—Aug. 31	72⅞—Mar. 14	87⅛	83⅛	86⅝
Baltimore & Ohio, pref.	96¾	82¾	95 —July 20	87⅝—Feb. 19	94	91	92
Brooklyn Rapid Transit	71⅛	29⅛	55⅝—Aug. 30	38 —Feb. 24	55⅝	50⅝	54¼
Canadian Pacific	138¾	115⅝	128⅛—Aug. 15	109⅛—Mar. 12	128⅛	124⅛	127⅛
Canada Southern	78½	57½	68¼—Jan. 2	64 —Apr. 29	67⅝	64½	67⅝
Central of New Jersey	190	153	169 —Aug. 29	154½—Feb. 20	169	163	168½
Ches. & Ohio	53⅝	27¼	39½—Aug. 31	28¼—Mar. 14	39½	33	38⅞
Chicago & Alton	37¼	18⅛	42 —Aug. 29	33 —Jan. 2	42	39⅛	41½
" preferred	75⅛	60	85¼—Jan. 21	75 —Jan. 6	83	81⅛	83
Chicago, Great Western	29⅝	13	17¾—Jan. 22	12⅞—June 8	15½	13⅞	15⅝
Chic., Milwaukee & St. Paul	183¼	133¼	155¾—Aug. 29	137⅛—Feb. 24	155¾	146⅛	154
" preferred	194¼	168	182 —July 14	173 —Mar. 4	179⅞	178¾	179⅞
Chicago & Northwestern	224½	153	188¾—Aug. 29	161⅛—Mar. 14	188¾	177⅛	187
" preferred	250	190	224 —July 15	207 —Feb. 8	224	222½	224
Chicago Terminal Transfer	19⅞	8	12¾—Jan. 15	5¼ Aug. 31	8	5¼	5¼
" preferred	36	15	26½—Jan. 15	11½—Aug. 31	17	11½	12½
Clev., Cin., Chic. & St. Louis	99⅝	66	80¾—Jan. 22	68½—May 18	79⅞	74⅛	78
Col. Fuel & Iron Co.	82½	24	38½—July 25	25½—Mar. 12	37⅞	35¼	36½
Colorado Southern	31⅝	10	19 —Jan. 12	13½—June 1	17	13¾	16
" 1st preferred	72	44⅛	58½—Jan. 25	48 —June 1	52	48	49½
" 2d preferred	48	17	28⅝—Jan 22	17⅞—June 7	22¾	19½	22⅛
Consolidated Gas Co.	222	164	212⅝—May 16	185 —Feb. 8	197½	193⅛	195½
Delaware & Hud. Canal Co.	183½	149	168½—Jan. 22	149 —Mar. 12	165	159⅛	163½
Delaware, Lack. & Western	275½	230	275¾—Apr. 7	250½—Feb. 23	275	270	274¾
Denver & Rio Grande	43	18	26¼—Aug. 18	18 —Mar. 14	26¼	22	25⅛
" preferred	90⅛	62	77½—Aug. 30	64⅛—Feb. 24	77½	70⅝	77
Detroit Southern	20⅝	7	14¾—Jan. 23	1⅛—June 27	2¼	1¾	2⅛
" preferred	39¾	14	29⅛—Jan. 25	2¾—June 27	4½	4	4½
Duluth So. S. & Atl., pref.	29⅝	10	16¾—Jan. 23	9¼—Aug. 10	12	9¼	12
Erie	42⅝	23	29¼—Jan. 2	21½—May 16	28⅛	24⅜	28¼
" 1st pref.	74	62⅛	69¾—Jan. 27	55⅝—May 31	65¼	60¼	64¾
" 2d pref.	64⅞	44	50½—Jan. 2	33 —May 16	41½	36	40¾
Evansville & Terre Haute	72½	39⅛	66¼—Jan. 27	54 —July 15	59½	56	59
Express Adams	235	214	230 —Aug. 23	220 —Feb. 2	230	224½	226
" American	235	171	214⅛—Aug. 29	180 —June 2	214½	194	214⅛
" United States	150¼	95	122 —Aug. 25	100 —Feb. 24	122	110	119
" Wells, Fargo	249½	191	250 —Aug. 23	200 —June 16	250	209	250
Hocking Valley	106½	63	84½—Aug. 29	60 —May 24	84½	68	83
" preferred	99¼	77	91 —Aug. 30	77 —Mar. 12	91	80	90
Illinois Central	151	125⅛	139 —Aug. 25	125¾—Feb. 24	139	132½	137½
Iowa Central	48	16	22⅞—Jan. 8	14 —June 4	22	18	21⅞
" preferred	77⅜	30½	43 —Aug. 30	32 —Feb. 25	43	35	42¼
Kansas City Southern	38¼	16½	24 —Aug. 19	16⅛—Feb. 24	24	22½	23¾
" preferred	61¼	29	45¾—Aug. 29	31 —Feb. 29	45¾	42	45
Kans. City Ft. S. & Mem. pref.	82¾	62¼	77 —Aug. 30	64⅛—June 1	77	72	78¼
Louisville & Nashville	130½	95	122½—Aug. 16	101 —Feb. 23	122½	114	120⅞
Manhattan consol	155½	126¼	156 —Aug. 29	139¾—Mar. 12	156	149¾	155
Metropolitan securities	128⅞	70½	96½—Aug. 11	72¼—Mar. 14	96½	87¼	89
Metropolitan Street	142⅞	99⅞	125¾—Aug. 10	104¾—Mar. 14	125¾	117¾	119¾
Mexican Central	29	8½	14½—Jan. 11	5 —Apr. 23	12⅝	9⅝	11¾
Minneapolis & St. Louis	110	41	67¾ Jan. 18	40 —June 3	56	46¼	56
" preferred	118	83	94¾—Jan. 21	80 —July 29	91	80½	91
Minn., S. P. & S.S. Marie	79½	42	76 —Aug. 15	55 - Jan. 4	76	71⅛	72⅞
" preferred	132¼	109½	131 —Aug. 15	116 —May 2	131	127	129
Missouri, Kan. & Tex.	30⅛	15½	23¼—Aug. 26	14⅝—Feb. 24	23¼	17¾	22
" preferred	63½	33	49⅞—Aug. 26	32¼—June 1	49⅞	39½	47¼
Missouri Pacific	115⅞	85¾	98⅛—Aug. 30	87 —Feb. 24	98⅛	91½	98½
Natl. of Mexico, pref.	47⅝	34½	41 —Jan. 11	34¾—Feb. 25	38¼	36¼	36¼
" 2d preferred	28½	17	21⅞—Jan. 8	15⅞—Feb. 25	20	17½	19½
N. Y. Cent. & Hudson River	156	112⅝	124⅜—Aug. 29	112⅞—Mar. 12	124⅜	118½	122½
N. Y., Chicago & St. Louis	45	19½	32¼—Jan. 23	25 —May 16	32⅛	28½	32⅛
" 2d preferred	87	50	69 —Jan. 26	60 —June 14	65	61	64

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		AUGUST, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western	35¼	19	34⅝—Aug. 19	19⅜—Mar. 14	34⅝	30	31⅛
Norfolk & Western	76¼	53¾	68¾—Aug. 30	53½—Mar. 12	68¾	60⅜	67½
• preferred	93½	85	91 —July 27	88 —May 6	91	90	90
North American Co	124½	68	93½—Aug. 30	80 —Mar. 12	93⅛	87	93½
Pacific Mail	42¾	17	33½—Jan. 18	24 —Feb. 27	30	26⅛	28½
Pennsylvania R. R	157⅝	110¾	126½ Aug. 30	111½—Mar. 12	126⅛	118⅞	124⅞
People's Gas & Coke of Chic.	108⅜	87¾	102¾—Aug. 11	92¾—Mar. 12	102¾	99¾	101⅞
Pullman Palace Car Co	235¼	196	222 —July 15	209 —Mar. 14	220	217	217
Reading	69¼	37½	63 —Aug. 31	38¾—Mar. 14	63	51⅝	62¼
• 1st prefered	89⅞	73	85½—Aug. 30	76 —Mar. 1	85½	83	85⅛
• 2d preferred	81	55¾	75¼—Aug. 29	55¼—Feb. 25	75¼	70	74¼
Rock Island	53⅝	19½	27⅛—Jan. 22	19⅛—Mar. 11	26¼	22	25⅝
• preferred	86	55¾	68⅞—Jan. 22	57¾—Jan. 6	68¾	64⅛	68½
St. L. & San Fran. 2d pref	78	39	60 —Aug. 25	39¼—Jan. 6	60	52	58¾
St. Louis & Southwestern	30	12	22½—Aug. 26	9½—June 1	22⅛	13½	19⅝
• preferred	66	24	45⅝—Aug. 27	25⅜—June 1	45⅝	33	41⅛
Southern Pacific Co	68¼	38⅝	57⅞—Aug. 23	41½—Mar. 14	57⅞	48⅛	56¼
Southern Railway	36⅞	16½	29½—Aug. 24	18¼—Feb. 24	29½	23	28⅝
• preferred	96	69½	95⅛—Aug. 30	77½—Jan. 6	95⅛	88	94¾
Tennessee Coal & Iron Co	68¾	25⅞	46¼—Aug. 2	31⅝—May 16	46¼	42⅞	44¾
Texas & Pacific	43⅜	20½	32¼—Aug. 30	20 —June 2	32¼	24¾	30⅞
Toledo, St. Louis & Western	31⅞	15	29¾—Aug. 29	21½—May 27	29¾	25	28¼
• preferred	48	24	48¼—Aug. 30	32 —Feb. 24	48¼	38	46⅜
Union Pacific	104⅝	65½	101⅛—Aug. 29	71 —Mar. 14	101⅛	94⅝	98
• preferred	95¼	83½	95¾—Aug. 30	86½—Feb. 25	95¾	93⅛	95¾
Wabash R. R	32¾	16⅝	21¾—Jan. 27	15 —May 16	19¾	16⅝	19¼
• preferred	55¼	27½	41 —Jan. 25	32¾—Feb. 24	39⅝	35⅛	38¾
Western Union	93	80¼	90 —Aug. 24	85 —May 19	90	88⅛	90
Wheeling & Lake Erie	27½	12	19⅛—Jan. 22	14⅛—July 25	17½	16	17¼
• second preferred	38½	20	29¾—Jan. 27	21⅛—June 29	26¼	23⅝	25½
Wisconsin Central	29¼	14½	21⅞—Jan. 20	16 —June 6	19⅛	16¾	18¼
• preferred	55½	33	47⅞—Jan. 27	37 —June 6	42½	38½	41½
"INDUSTRIAL"							
Amalgamated Copper	75⅝	33⅝	58¼—Aug. 29	43⅛ Feb. 8	58¼	51	56⅝
American Car & Foundry	41¾	17¼	21⅜—Jan. 27	14¾—July 1	19¼	18¼	18⅞
• pref	93	60½	79¼—Aug. 23	67 —Jan. 6	79¼	78	78¾
American Co. Oil Co	46¼	25¼	34¾—Aug. 8	24¼—June 14	34¾	26	32½
American Ice	11⅞	4	9¼—Jan. 2	6⅛—Mar. 24	7⅛	6⅛	6⅝
American Locomotive	31⅝	10½	23⅜—Feb. 16	16⅛—Jan. 6	22⅝	20	20
• preferred	95¾	67½	90½—Aug. 29	75½—Jan. 6	90½	88	90
Am. Smelting & Refining Co.	52⅞	36¾	65 —Aug. 19	46 —Feb. 25	65	56½	64
• preferred	99½	80¼	107¾—Aug. 17	88¾—Jan. 6	107¾	99	107
American Sugar Ref. Co	134⅜	107⅛	134⅜—Aug. 10	122¼—Mar. 7	134⅜	128¼	131⅛
Anaconda Copper Mining	125½	58	80¼—Aug. 26	61 —Feb. 20	80¼	72	80
Continental Tobacco Co. pref.	119	94¾	124½—Aug. 31	101½—Jan. 4	124½	114¼	122⅞
Corn Products	35	15½	22⅜—Jan. 25	9¾—May 9	14¾	11⅞	13
• preferred	85⅛	60	74½—Jan. 23	65 —Mar. 9	69⅞	66	69
Distillers securities	34¾	20	27⅛—Aug. 29	19½—June 9	27⅛	21½	26⅝
General Electric Co	204	136	179¼—Jan. 23	151 —June 20	166½	162	164⅞
International Paper Co	19⅞	9	15½—Aug. 13	10¼—May 26	15½	13½	14⅝
• preferred	74¼	57½	73⅞—Aug. 31	64⅛ Feb. 9	73⅞	70¼	73⅞
National Biscuit	47⅝	32	49¾—July 20	36 —Jan. 4	48¼	46½	47¼
National Lead Co	29½	10½	24½—July 11	14⅛—Feb. 25	2[illegible]⅜	19⅞	22¾
Pressed Steel Car Co	65¾	22½	34 —July 13	24¼—May 16	34	32	32½
• preferred	95	62½	77½—Aug. 1	67 —May 16	77½	75	77
Republic Iron & Steel Co	22⅝	5⅝	8¾—Jan. 25	6 —May 16	7¾	7⅛	7⅝
• preferred	80⅜	36¾	49½—Jan. 23	37 —May 13	45	42½	44
Rubber Goods Mfg. Co	30	12	22¼—Jan. 27	14¾—Apr. 15	19	17	18
• preferred	84½	60	82 —Aug. 31	74¾—Jan. 15	82	79	82
U. S. Leather Co	15¼	6	8¼—Jan. 25	6½—May 27	8¼	7	7½
• preferred	96¾	71½	86¾—Aug. 31	75⅝—Jan. 4	86¾	82½	86¾
U. S. Realty & Con	28½	4	9⅜—Jan. 21	5⅛—Jan. 15	....	....	....
• preferred			63⅜—May 23	40 —Jan. 14	....	....	....
U. S. Rubber Co	19⅛	7	19⅞—July 23	10½—Feb. 6	19¾	18¾	18⅞
• preferred	58	30¼	78½—July 19	41 —Jan. 4	76	73⅞	75
U. S. Steel	39⅞	10	12⅞—July 18	8⅜—May 13	12⅞	11⅜	12⅞
• pref	89¾	49¾	63½—July 25	51¼—May 13	61⅞	57¾	61⅝

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Ann Arbor 1st g 4's 1995	7,000,000	Q J	95¾	Aug. 12,'04	95¾	95¾	1,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's. 1995	148,155,000	A & O	103¼	Aug. 31,'04	103½	103⅛	344,500
• registered	....	A & O	103¼	July 29,'04	....	....	....
• adjustment, g. 4's 1995	25,616,000	NOV	95	Aug. 30,'04	95¾	94¾	38,500
• registered	....	NOV	82½	Jan. 26,'04	....	....	....
• stamped 1995	26,112,000	M & N	93	Aug. 30,'04	93¼	92¾	157,000
• serial debenture 4's—							
• series C 1905	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series D 1906	2,500,000	F & A	99	Aug. 15,'04	99	99	1,000
• registered	....	F & A	....	....	....	....	....
• series E 1907	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series F 1908	2,500,000	F & A	98	May 31,'04	....	....	....
• registered	....	F & A	....	....	....	....	....
• series G 1909	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series H 1910	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series I 1911	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series J 1912	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series K 1913	2,500,000	F & A	....	....	....	....	....
• registered	....	F & A	....	....	....	....	....
• series L 1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
• registered	....	F & A	....	....	....	....	....
• East. Okla. div. 1st g. 4's. 1928	5,645,000	M & S	99¼	Aug. 29,'04	99¼	97½	37,000
• • registered	....	M & S	....	....	....	....	....
• Chic. & St. L. 1st 6's ... 1915	1,500,000	M & S	....	....	....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s .. 1946	1,000,000	J & D	114½	Oct. 8,'02	....	....	....
Atlan. Coast Line R. R. Co. 1st g. 4's. 1952	36,844,000	M & S	100¼	Aug. 31,'04	100⅝	99	1,098,000
• registered		M & S	92	Feb. 15,'04	....	....	....
Charleston & Savannah 1st g. 7's .. 1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's .. 1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
• 1st g. 5's 1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's .. 1928	2,800,000	M & N	114	Aug. 3,'04	114	114	1,000
Brunswick & W'n 1st gtd. g. 4's .. 1938	3,000,000	J & J	93	July 14,'04	....	....	....
Sil. Sps Oc. & G. RR. & ld g. gtd g. 4s. 1918	1,067,000	J & J	98	Aug. 2,'04	98	98	1,000
Balt. & Ohio prior lien g. 3½s .. 1925	72,798,000	J & J	95¾	Aug. 31,'04	95¾	94¾	75,500
• registered		J & J	95¼	May 27,'04	....	....	....
• g. 4s 1948	70,963,000	A & O	103	Aug. 31,'04	103½	103	279,500
• g. 4s. registered		A & O	103	July 21,'04	....	....	....
• ten year c. deb. g. 4's .. 1911	592,000	M & S	98	June 30,'04	....	....	....
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	92	Aug. 24,'04	92	91¼	67,500
• registered		Q Feb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s 1941	20,000,000	M & N	98½	Aug. 31,'04	99	98⅜	55,000
• Southw'n div. 1st g. 3½s. 1925	43,590,000	J & J	91½	Aug. 30,'04	91¾	91¼	278,000
• registered		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	105½	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	108	June 2,'04	....	....	....
Ptsbg Clev. & Toledo, 1st g. 6's .. 1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g. 4's ... 1917	688,000	J & J	98	June 3,'04	....	....	....
• J. P. Morgan & Co. cer	1,921,000	......	100¼	Feb. 13,'03	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's ... 1937	4,427,000	M & S	117½	Aug. 13,'04	117½	117½	3,000
Alleghany & Wn. 1st g. gtd 4's. 1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's 1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's .. 1921	1,300,000	F & A	121½	Mar. 2,'04	....	....	....
• cons. 1st 6's 1922	3,920,000	J & D	123½	Aug. 17,'04	123½	123½	1,000
Buff. & Susq. 1st refundg g. 4's .. 1951	4,317,000	J & J	98⅝	July 30,'04	....	....	....
• registered		J & J	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	103⅝	Aug.29,'04	103⅞	103⅝	29,000
• 2d mortg. 5's,	1913	6,000,000	M & S	109	July 15,'04	....	....	....
• registered			M & S	107	July 11,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	93½	Aug.15,'04	94	93	29,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	117	Aug.16,'04	117	117	1,000
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,600	M & N	111⅝	Aug.31,'04	111⅞	110¼	176,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	84½	Aug.30,'04	85	80	626,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	47½	Aug.31,'04	47¾	42⅛	946,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	34¼	Aug.30,'04	34¼	26½	717,000
• Chat. div. pur. my. g. 4's.	1951	1,990,000	J & D	92½	May 23,'04	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	107¼	Aug. 2,'04	107¼	107¼	1,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	108½	July 27,'04	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	123⅛	Aug.30,'04	134	132⅞	28,000
• registered			Q J	130	June22,'04	....	....	....
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	111½	July 12,'04	....	....	....
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	103¼	July 8,'04	....	....	....
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	103½	Aug.29,'04	103½	102¼	46,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	108	July 1,'04	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	111½	July 27,'04	....	....	....
• 1st con. g. 5's	1939	25,858,000	M & N	119	Aug.26,'04	119	118¼	46,000
• registered			M & N	118	July 26,'04	....	....	....
• Gen. m. g. 4½'s	1992	38,073,000	M & S	108	Aug.30,'04	108	106⅛	108,000
• registered			M & S	95	Dec. 22,'03	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	102	Aug. 2,'04	102	102	5,000
• 2d con. g. 4's	1989	1,000,000	J & J	96	July 8,'04	....	....	....
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106¼	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	90⅝	Dec. 30,'03	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	84	Aug. 9,'04	84	84	5,000
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	79	Aug.30,'04	79¼	78	183,000
• registered			J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:								
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'91	....	....	....
• Denver div. 4's	1922	4,931,000	F & A	102	July 9,'04	....	....	....
• Illinois div. 3½s	1949	50,835,000	J & J	94⅝	Aug.31,'04	94½	94	284,000
• registered			J & J	90½	Apr. 16,'04	....	....	....
• Illinois div. 4s	1949	5,992,000	J & J	105¾	Aug. 8,'04	105¾	105¾	5,000
• (Iowa div.) sink. f'd 5's,	1919	2,449,000	A & O	103¾	Apr. 27,'04	....	....	....
• 4's	1919	8,049,000	A & O	102¼	Aug.22,'04	102¼	102¼	5,000
• Nebraska extensi'n 4's,	1927	25,344,000	M & N	105	Aug.31,'04	105	104⅞	12,000
• registered			M & N	105	Dec. 2,'03	....	....	....
• Southwestern div. 4's	1921	2,650,000	M & S	100¾	Feb. 8,'04	....	....	....
• 4's joint bonds	1921	215,207,000	J & J	97	Aug.31,'04	97¾	96¾	1,286,000
• • registered			Q JAN	97	Aug.26,'04	97⅛	96¾	14,000
• 5's, debentures	1913	9,000,000	M & N	108	Aug.30,'04	108	108	7,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114½	July 28,'04	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	107¼	Aug.30,'04	107¼	107¼	2,000
• small bonds			J & D	103½	July 8,'04	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
• gen. con. 1st 5's	1937	15,323,000	M & N	119	Aug.29,'04	119⅝	118⅛	21,000
• registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	116	Aug.18,'04	116	116	5,000
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	130¼	Aug.26,'04	130¼	130¼	9,000
• ref. g. 5's	1947	4,442,000	J & J	114½	Aug.23,'04	114½	114½	1,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	109½	July 27,'03	....	....	....
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	1,286,000	J & J	172	Aug.17,'04	172	172	1,000
• terminal g 5's	1914	4,748,000	J & J	110	July 29,'04	....	....	....
• gen. g. 4's, series A	1989	23,676,000	J & J	110	Aug.30,'04	110	109	14,000
• registered		....	Q J	109½	June18,'04	....	....	....

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Name. Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
″ gen. g. 3½'s, series B.1989	2,500,000	J & J	97½	Aug.22,'04	97½	97½	3,000
″ registered................		J & J	....	....	....	....	....
″ Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
″ Chic. & M. R. div. 5's, 1926	3,083,000	J & J	116	Apr. 15,'04	....	....	....
″ Chic. & Pac. div. 6's, 1910	3,000,000	J & J	110¼	Feb. 23,'04	....	....	....
″ 1st Chic. & P. W. g. 5's.1921	25,340,000	J & J	116	Aug.25,'04	116	115¾	3,000
″ Dakota & Gt. S. g. 5's.1916	2,856,000	J & J	111¼	Aug.12,'04	111¼	111¼	1,000
″ Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
″ 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	117¾	May 25,'04	....	....	....
″ 1st 5's.................1910	990,000	J & J	106	Aug.3,'04	106	106	3,000
″ 1st 7's, Iowa & D, ex, 1908	1,005,000	J & J	169	Mar. 14,'04	....	....	....
″ 1st 5's, La. C. & Dav...1919	2,500,000	J & J	113	Aug.31,'03	113	113	5,000
″ Mineral Point div. 5's, 1910	2,840,000	J & J	107	May 4,'04	....	....	....
″ 1st So. Min. div. 6's....1910	7,432,000	J & J	111	Aug.18,'04	111	110⅞	4,000
″ 1st 6's, Southw'n div., 1909	4,000,000	J & J	112	May 26,'04	....	....	....
″ Wis. & Min. div. g. 5's.1921	4,755,000	J & J	114¼	July28,'04	....	....	....
″ Mil. & N. 1st M. L. 6's.1910	2,155,000	J & D	112	July12,'04	....	....	....
″ 1st con. 6's.............1913	5,092,000	J & D	115½	June14,'04	....	....	....
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	128¼	Aug.3,'04	128¼	128¼	4,000
″ extension 4's.....1886-1926	18,632,000	F A 15	104⅞	June24,'04	....	....	....
″ registered................		F A 15	102⅝	May 11,'04	....	....	....
″ gen. g. 3½'s...........1987	20,538,000	M & N	100	Aug.25,'04	100	99	11,000
″ registered		Q F	103	Nov.19,'98	....	....	....
″ sinking fund 6's..1879-1929	5,686,000	A & O	117	July26,'04	....	....	....
″ registered................		A & O	111½	Dec. 11,'03	....	....	....
″ sinking fund 5s'..1879-1929	6,769,000	A & O	110	June14,'04	....	....	....
″ registered................		A & O	107	Mar. 28,'04	....	....	....
″ deben. 5's..............1909	5,900,000	M & N	105	July28,'04	....	....	....
″ registered................		M & N	104	Mar. 3,'04	....	....	....
″ deben. 5's..............1921	10,000,000	A & O	108¼	June 6,'04	....	....	....
″ registered................		A & O	108¾	Jan. 12,'04	....	....	....
″ sinking f'd deben. 5's.1933	9,800,000	M & N	118	July 4,'04	....	....	....
″ registered................		M & N	114⅛	June 3,'04	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's 1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	105⅝	Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	109¾	June18,'04	....	....	....
Mil., L. Shore & We'n 1st g. 6's.1921	5,030,000	M & N	129⅝	Aug.29,'04	129⅝	129⅝	3,000
″ ext. & impt. s.f'd g. 5's1929	4,148,000	F & A	117¾	Mar. 26,'04	....	....	....
″ Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
″ Michigan div. 1st g. 6's.1924	1,281,000	J & J	131¾	Dec. 3,'03	....	....	....
″ con. deb. 5's...........1907	436,000	F & A	103	Apr. 8,'04	....	....	....
″ incomes...............1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	125	June 6,'04	....	....	....
″ registered.............1917		J & J	122½	Aug.3,'04	122½	122½	5,000
″ gen. g. 4's.............1988	61,581,000	J & J	104¾	Aug.31,'04	104¾	104	260,000
″ registered		J & J	107	Jan. 16,'03	....	....	....
″ coll. tr. ser. 4's ser. C.1905	1,494,000	M & N	100¾	July 2,'02	....	....	....
″ D......................1906	1,494,000	M & N	....	....	....	....	....
″ E......................1907	1,494,000	M & N	....	....	....	....	....
″ F......................1908	1,494,000	M & N	....	....	....	....	....
″ G......................1909	1,494,000	M & N	....	....	....	....	....
″ H......................1910	1,494,000	M & N	97	July14,'04	....	....	....
″ I......................1911	1,494,000	M & N	....	....	....	....	....
″ J......................1912	1,494,000	M & N	....	....	....	....	....
″ K......................1913	1,494,000	M & N	....	....	....	....	....
″ L......................1914	1,494,000	M & N	....	....	....	....	....
″ M......................1915	1,494,000	M & N	96	May 16,'04	....	....	....
″ N......................1916	1,494,000	M & N	93	May 24,'04	....	....	....
″ O......................1917	1,494,000	M & N	....	....	....	....	....
″ P......................1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..2002	69,557,000	M & N	74⅞	Aug.31,'04	75	70⅞	3,734,000
″ registered................		M & N	71⅞	Aug.4,'04	71⅞	71⅞	1,000
″ coll. trust g. 5's.......1913	17,180,000	M & S	87	Aug.31,'04	87	81⅛	1,773,000
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	102½	Aug.19,'04	103⅝	102¼	8,500
″ con. 1st & col. tst 5's.1934	11,000,000	A & O	119	June30,'04	....	....	....
″ registered...............		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	110½	June 7,'04	....	....	....
Minneap's & St. Louis 1st 7's. g. 1927	150,000	J & D	40	Aug.21,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....1919	5,500,000	J & J	104⅝	Jan. 26,'04	....	....	....
″ con. g. 5's.............1952	5,411,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.1905	1,200,000	J & J	95¼	Oct. 1,'03	....	....	....
″ 1st 2½'s...............1905	1,200,000	J & J	90	Oct. 1,'03	....	....	....
″ extension 4 s...	672,000	J & J	98	Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	106¾	July 8,'04	....	....	....
″ small bond 1923	....	A & O	102½	Apr. 26,'04	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Chic., St.P., Minn.& Oma.con.6's.1930	14,688,000	J & D	133¾	July 12,'04	....	....	....
" con.6's reduced to 3½'s.1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's..1918	1,866,000	M & N	129	May 11,'04	....	....	....
North Wisconsin 1st mort. 6's..1930	659,000	J & J	129¾	Mar. 8,'04	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	123½	July 11,'04	....	....	....
Chic., Term. Trans. R. R. g. 4's..1947	14,735,000	J & J	74	Aug.31,'04	74¼	73¾	448,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,519,000	Q M	111⅛	Apr. 28,'04	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	104½	Dec. 5,'03	....	....	....
" 2d g. 4½'s................1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	113¼	July 14,'04	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's.1923	1,000,000	M & N	....	....	....	....	....
Cin. Ind.&Wn.1st&ref.gtd g.4's.1953	8,200,000	J & J	97	July 8,'04	....	....	....
Clev.,Cin.,Chic.& St.L. gen.g. 4's..1993	19,749,000	J & D	101½	Aug.26,'04	102	101	74,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	100	July 9,'04	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	98½	July 30,'04	....	....	....
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	101	July 26,'04	....	....	....
" registered................			99	Jan. 28,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	102	Dec. 9,'02	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	94½	Aug.31,'03	....	....	....
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,599,000	Q F	102½	July 15,'04	....	....	....
" registered................			95	Nov. 15,'94	....	....	....
" con. 6's................1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	115¼	June 23,'04	....	....	....
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	120	July 28,'02	....	....	....
" sink. fund 7's.........1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's........1934	3,205,000	J & J	128	Mar. 16,'04	....	....	....
" registered................		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	99	Aug. 4,'04	99	99	1,000
" income 4's..............1990	4,000,000	A	65	Aug 27,'04	66	61	84,000
Clev., Lorain & Wheel'g con.1st 5's1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	116	Feb. 10,'04	....	....	....
" registered..................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's..........1947	8,946,000	J & J	63½	Aug.31,'04	64	60¼	98,000
Colorado & Southern 1st g. 4's...1929	18,808,000	F & A	84	Aug.29,'04	84¼	83⅛	57,000
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93	....	....	....
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	112⅝	Jan. 25,'04	....	....	....
Morris & Essex 1st m 7's........1914	5,000,000	M & N	128½	June 20,'04	....	....	....
" 1st c. gtd 7's..........1915	11,677,000	J & D	130½	Aug.24,'04	130½	130½	1,000
" registered...............		J & D	140	Oct. 26,'98	....	....	....
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	129½	Aug.27,'04	129½	129½	1,000
" const. 5's..............1923	5,000,000	F & A	114½	July 6,'04	....	....	....
" terml. imp. 4's.........1923	5,000,000	M & N	103½	July 5,'04	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	108¼	July 16,'04	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	133¾	Mar. 30,'04	....	....	....
" reg.....................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	106	June 3,'04	....	....	....
" registered................		A & O	122	June 6,'99	....	....	....
" 6's.....................1906	7,000,000	A & O	104	May 12,'04	....	....	....
" registered................		A & O	109½	Nov. 16,'01	....	....	....
Rens. & Saratoga 1st c. 7's......1921	2,000,000	M & N	142	July 25,'04	....	....	....
" 1st r 7's................1921		M & N	147¾	June 18,'03	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	33,450,000	J & J	101	Aug.31,'04	101	100¼	99,000
" con. g. 4½'s............1936	6,382,000	J & J	104¼	July 1,'03	....	....	....
" impt. m. g. 5's.........1928	8,318,500	J & D	107	Aug.25,'04	107	106	11,000
Rio Grande Western 1st g. 4's..1939	15,200,000	J & J	100	Aug.24,'04	100	99¼	24,000
" mge.&col.tr.g.4's ser.A.1949	12,700,000	A & O	89¾	Aug.25,'04	91	89	38,000
Utah Central 1st gtd. g. 4's...1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Denv. & Southern Ry g. s. fg. 5's.1929	4,923,000	J & D	24	May 4,'04	....	....	....
" Midl'd Ter. Ry.1st g.s.f.5's.1925	128,000	J & D	....	....	....	....	....
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	111	Feb. 28,'03	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	100	Aug. 5,'04	100	100	10,000
" g. 4s.....................1995	1,250,000	J & D	94½	Aug.17,'04	94½	94½	10,000
Detroit Southern 1st g. 4's.......1951	3,866,000	J & D	38	Aug.19,'04	38	38	1,000
" Ohio South. div.1st g.4's.1941	4,281,000	M & S	79¾	Aug.26,'04	79¾	78	14,000
Duluth & Iron Range 1st 5's......1937	6,732,000	A & O	112⅛	Aug. 9,'04	112⅛	112⅛	3,000
" registered..................		A & O	101⅛	July 23,'89	....	....	....
" 2d l m 6s................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	3,816,000	J & J	112½	Aug.19,'04	112½	112½	3,000
Duluth Short Line 1st gtd. 5's....1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's..1941	8,500,000	M & N	116	July 8,'04	....	....	....

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03	....	....	....
″ 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
″ 3d extended g. 4½'s	1923	4,617,000	M & S	110	June 23,'04	....	....	....
″ 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04	....	....	....
″ 5th extended g. 4's	1928	709,500	J & D	101⅞	June 26,'03	....	....	....
″ 1st cons gold 7's	1920	16,890,000	M & S	134	June 28,'04	....	....	....
″ 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g-4s prior bds.	1996	35,000,000	J&J	98⅝	Aug.30,'04	99⅛	98⅝	224,000
″ registered			J&J	98⅛	Jan. 21,'04	....	....	....
″ 1st con. gen. lien g. 4s.	1996	34,885,000	J&J	86⅝	Aug.31,'04	87	84⅞	450,000
″ registered			J&J	85¾	Feb. 4,'04	....	....	....
″ Penn. col. trust g. 4's.	1951	33,000,000	F & A	91⅞	Aug.31,'04	92	91⅛	129,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125¼	June 21,'04	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
″ small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	119⅞	Aug. 3,'04	120	119⅞	15,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	132	Apr. 13,'04	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July 25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov.25,'03	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,453,000	M&N	108½	Jan. 6,'04	....	....	....
″ small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¾	May 17,'04	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	111	July 8,'04	....	....	....
″ 2d g. 4½'s	1937	447,000	F & A	98	Aug.11,'04	98	98	1,000
″ gen. g. 5's	1940	2,546,000	F & A	103½	Aug.18,'04	103½	102½	4,000
″ term. 1st g. 5's	1943	2,000,000	M & N	113½	Jan. 8,'04	....	....	....
″ registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109½	Aug. 2,'04	109½	109½	3,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,581,000	J & J	107	Dec. 17,'03	....	....	....
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	120	June 6,'04	....	....	....
″ 1st General g 5's	1942	2,223,000	A & O	107	Aug.30,'04	107½	106½	11,000
″ Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
″ Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept.15,'91	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	105	Aug.31,'04	105½	104½	33,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	85¼	Aug.31,'04	85½	82	168,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	104⅜	Aug.27,'04	104½	103⅛	20,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	103	Aug 30,'04	103½	102⅞	60,000
″ registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	108	Aug.29,'04	109	108	72,000
″ registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	100¼	Apr. 12,'04	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115	Apr. 11,'04	....	....	....
″ registered			J&J	113½	Mar. 12,'19'	....	....	....
″ 1st gold 3½'s	1951	2,490,000	J&J	102	Aug.19,'04	102	102	2,000
″ registered			J&J	94	Mar. 28,'03	....	....	....
″ extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
″ registered			A & O	....	....	....	....	....
″ 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
″ registered			M & S	....	....	....	....	....
″ total outstg....$13,950,000								
″ collat. trust gold 4's	1952	15,000,000	A & O	105¾	July 20,'04	....	....	....
″ regist'd			A & O	102	Oct. 4,'03	....	....	....
″ col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	104	Aug.17,'04	104	104	1,000
″ registered			M & N	101	Apr. 7,'04	....	....	....
″ Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
″ registered			J & D	123	May 24,'99	....	....	....
″ Louisville div. g. 3½'s.	1953	14,320,000	J & J	94½	Aug. 8,'04	94½	94½	2,000
″ registered			J & J	88½	Dec. 8,'99	....	....	....
″ Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
″ St. Louis div. g. 3's	1951	4,939,000	J & J	80	Jan. 12,'04	....	....	....
″ registered			J & J	101¼	Jan. 31,'19	....	....	....
″ g. 3½'s	1951	6,321,0 0	J & J	94¼	Aug.11,'04	94½	94¼	13,000
″ registered			J & J	101½	Sept. 10,'95	....	....	....
″ Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,'19'	....	....	....
″ registered			J & J	124	Dec. 11,'99	....	....	....
″ West'n Line 1st g. 4's.	1951	5,425,000	F & A	107¼	July 13,'04	....	....	....
″ registered			F & A	101½	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....

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Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....	1951	16,555,000	J D 15	119	Feb. 25,'04	....	....	....
" gold 5's, registered........			J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3½'s................	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered................			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	102¼	Dec. 15,'03	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101	Mar. 3,'02	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	106	Mar. 28''04	....	....	....
" 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g 4's..	1950	4,850,000	J & J	98	July 12,'04	...	....	....
Internat. & Gt. N'n 1st. 6's, gold.	1919	11,291,000	M & N	120	July 15,'04	....	....	....
" 2d g. 5's.................	1909	10,391,000	M & S	100¼	Aug 22,'04	100¼	99¾	55,000
" 3d g. 4's.................	1921	2,959,500	M & S	70	Nov. 19,'03	....	....	....
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	114	Aug.29,'04	114	114	2,000
" refunding g. 4's ...	1951	2,000,000	M & S	87⅛	Aug.30,'04	88⅛	87⅛	8,000
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	72½	Aug.30,'04	73¼	71½	179,000
" registered....................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119¾	Aug.20,'04	119¾	119½	10,000
" 2d mtge. g. 5's...........	1941	3,625,000	J & J	114⅛	July 16,'04	....	....	....
Northern Ohio 1st gtd g 5's...	1945	2,500,000	A & O	112	Feb. 16,'04	....	....	....
Lehigh Val. (Pa.) coll. g. 5's.....	1997	8,000,000	M & N	107¼	May 21,'04	....	....	....
" registered.....................			M & N	....		....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	110	Aug.15,'04	110	110	1,000
" registered....................		....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	116	Aug.18,'02	116	116	1,000
" registered.....................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,014,000	J & J	107	Jan. 19,'04	....	....	....
" registered................	1933		J & J	....		....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	99	Aug.26,'04	99	99	24,000
" registered.....................			M&S	....		....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	....		....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	116	Apr. 9,'03	....	....	....
" 1st con. g. 4's...........	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's..........	1938	3,000,000	J & D	99⅛	July 13,'04	....	....	....
" Ferry 1st g. 4½'s......	1922	1,494,000	M & S	101	Feb. 29,'04	....	....	....
" g. 4's.....................	1932	325,000	J & D	102½	May 5,'97	....	....	....
" unified g. 4's............	1949	6,860,000	M & S	101½	Aug.25,'04	101½	101½	2,000
" deb. g. 5's........	1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's..	1949	10,000,000	M & S	102½	Aug.30,'04	103	101¾	59,000
" " registered........			M & S	....		....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....		....	....	....
" 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	112⅛	Jan. 10,'02	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112¼	Apr. 9,'02	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.	1927	2,724,000	M & S	104	Aug.30,'04	104⅛	103¾	33,000
Louis. & Nash. gen. g. 6's.......	1930	8,239,000	J & D	118	July 21,'04	....	....	....
" gold 5's................	1937	1,764,000	M & N	115¾	Aug.27,'04	115¾	115¾	4,000
" Unified gold 4's........	1940	31,722,000	J & J	101	Aug.30,'04	101½	100½	249,000
" registered	1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	113	June30,'04	....	....	....
" 5-20yr. col. tr. deed g. 4's.	1923	23,000,000	A & O	98⅞	Aug.31,'04	99¼	98½	532,000
" E., Hend. & N. 1st 6's..	1919	1,730,000	J & D	111½	June 9,'04	....	....	....
" L. Cin. & Lex. g. 4½'s..	1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	126½	Aug.26,'04	126½	126½	1,000
" 2d g. 6's................	1930	1,000,000	J & J	122¾	Aug.31,'03	....	....	....
" Pensacola div. g. 6's...	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	122	Apr. 21,'04	....	...	....
" 2d g. 3's...............	1980	3,000,000	M & S	75	June20,'02	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,587,000	M & S	....		....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	99	Aug. 4,'04	99	99	1,000
" L. & N. & Mob. & Montg 1st. g. 4½s..........	1945	4,000,000	M & S	107½	June 2,'02	....	....	....
" South. Mon. joint 4's.	1952	11,827,000	J & J	95	Aug.24,'04	95½	94	34,000
" registered..............			Q Jan	....		....	...	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	117½	July 15,'04	....	....	....
" Pen. & At. 1st g. g. 6's,	1921	2,454,000	F & A	115	Jan. 29,'04	....	....	....
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	117	July 19,'04	....	....	....
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	99	Aug.15,'04	99	98¼	31,000
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	106½	Aug.30,'04	106⅛	105⅛	166,000
" registered..................			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	107¾	Aug.26,'04	107¾	107¾	4,000
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.							
" con. mtge. 4's...........1911	65,690,000	J & J	62½	Aug.30,'04	62⅝	61¼	116,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	14⅜	Aug.31,'04	14⅞	13¾	344,000
" 2d 3's....................1939	11,724,000	JULY	9	July15,'04	....	....	....
" equip. & collat. g. 5's....1917	600,000	A & O	....	....	....	....	....
" 2d series g. 5's...........1919	715,000	A & O	....	....	....	....	....
" col.trust g.4½'s1st se of1907	10,000,000	F & A	92¾	July 1,'04	....	....	....
Mexican Internat'l 1st con g. 4's,1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
" stamped gtd................	3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's.....1910	1,016,000	J & D	....	....	....	....	....
" registered..................		J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.1927	950,000	J & D	142	Dec. 7,'03	....	....	....
" Iowa ext. 1st g. 7's......1909	1,015,000	J & D	112⅜	Dec. 24,'03	....	....	....
" Pacific ext. 1st g. 6's....1921	1,382,000	J & A	120½	Feb. 29,'04	....	....	....
" Southw. ext. 1st g. 7's...1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's...........1934	5,000,000	M & N	118	Aug. 1,'04	118	118	3,000
" 1st & refunding g. 4's...1949	7,600,000	M & S	96¼	Aug. 2,'04	96¼	96¼	1,000
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	26,815,000	J & J	99	July19,'04	....	....	....
" stamped pay. of int. gtd.			....	....	....	....	....
Minneapolis & Pacific 1st m. 5's..1936	337,000	J & J	102	Mar.26,'87	....	....	....
" stamped 4's pay. of int. gtd.			....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.			89⅜	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.1990	40,000,000	J & D	100¼	Aug.29,'04	100¼	99½	123,500
" 2d mtge. g. 4's.........1990	20,000,000	F & A	80¼	Aug.31,'04	80½	78	245,500
" 1st ext gold 5's.. 1944	3,254,000	M & N	103	Aug.29,'04	103½	103	111,000
St. Louis div. 1st refundg 4s...2001	1,859,000	A & O	85	Aug.20,'04	85	85	1,000
Dallas & Waco 1st gtd. g. 5's....1940	1,340,000	M & N	102	Jan. 26,'04	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.1942	4,505,000	M & S	106⅝	Aug.27,'04	106⅝	105	152,000
Sher.Shrevept & So1st gtd.g.5's1943	1,689,000	J & D	102	Aug. 1,'04	102	102	3,000
Kan. City & Pacific 1st g. 4's...1990	2,500,000	F & A	90	Aug.25,'04	90	88	14,000
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	111¼	Aug.31,'04	111¼	111	5,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	121¾	Aug. 9,'04	122	121¾	2,000
" 3d mortgage 7's.......1906	3,828,000	M & N	108	July14,'04	....	....	....
" trusts gold 5's stamp'd1917	14,376,000	M & S	109	Aug.26,'04	109¼	107⅞	74,000
" registered.................		M & S	....	....	....	....	....
" 1st collateral gold 5's.1920	9,636,000	F & A	106½	Aug.17,'04	106½	106	95,000
" registered.................		F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.1919	3,459,000	F & A	95	Aug.26,'04	95	94¾	22,000
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	100	May 1,'01	....	....	....
Little Rock & Ft. Smith 1st 7's.1905	3,000,000	J & J	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	102½	Aug. 8,'04	102½	102½	2,000
" 2d extended g. 5's.....1938	2,573,000	F & A	115	Aug.10,'04	115	113⅞	9,000
St. L. & I. g. con. R.R.&l.gr. 5's1931	36,799,000	A & O	117	Aug.29,'04	117	116½	31,000
" stamped gtd gold 5's..1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
" unify'g & rfd'g g. 4's.1929	27,563,000	J & J	91¼	Aug.29,'04	91½	89⅞	210,000
" registered.................		J & J	87¼	Apr. 23,'04	....	....	....
" Riv&Gulf divs 1stg 4s.1933	14,924,000	M & N	95¾	Aug.27,'04	96	95	83,000
" registered.................		M & N	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
" small.........................	226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's...............1945	700,000	J & J	91	Feb. 25,'04	....	....	....
" small.........................	500,000	......	94	Aug. 6,'04	94	94	1,000
Mob. Jackson&Kan.City 1stg.5's.1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	125⅛	Aug. 3,'04	125⅛	125⅛	2,000
" 1st extension 6's......1927	974,000	J & D	121	Apr. 23,'04	....	....	....
" gen. g. 4's.............1938	9,472,000	Q J	94½	July 8,'04	....	....	....
" Montg'rydiv.1st g.5's.1947	4,000,000	F & A	113½	May 9,'04	....	....	....
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	90	Apr. 13,'04	....	....	....
" collateral g. 4's........1930	2,494,000	Q F	92½	July 29,'04	....	....	....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	124½	June27,'04	....	....	....
" 1st cons. g. 5's...........1928	7,566,000	A & O	115¼	Aug.19,'04	115¼	115	3,000
" 1st g.6's Jasper Branch.1923	371,000	J & J	123	Mar.28,'01	....	....	....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	113½	June 9,'04	....	....	....
" 1st 6's T. & Pb...........1917	300,000	J & J	113	July 6,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s.1926	20,000,000	J & J	102¼	Aug.12,'04	102¼	102¼	1,500
" 1st con. g. 4's............1951	22,000,000	A & O	76¼	Aug.30,'04	76½	75¼	190,000
N. O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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N.Y. Cent. & Hud. R. g. mtg. 3½s.1997	70,857,000	J & J	100	Aug.30,'04	100⅜	99½	159,000
" " registered......		J & J	99½	June10,'04	....	....	....
" debenture 5's.....1884-1904	4,480,000	M & S	101¾	June17,'04	....	....	....
debenture 5's reg..........		M & S	100⅞	Apr. 6,'04	....	....	....
" reg. deben. 5's....1889-1904	639,000	M & S	103⅛	Apr. 30,'01	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	101	Aug.15,'04	101	101	1,000
" registered.................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,581,000	M & N	99¾	May 17,'04	....	....	....
" registered.................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	91⅜	Aug.30,'04	91¾	91¼	40,000
" registered.................		F & A	89¼	Aug.24,'04	90¼	89¼	14,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	89⅞	Aug.29,'04	89⅞	89⅛	31,000
" registered.................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	105⅛	July 7,'04	....	....	....
" registered		J & J	102	Mar. 31,'03	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	3,500,000	A & O	....	....	....	....	....
" registered.................		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	716,000	J & J	87½	June23,'04	....	....	....
" small bonds series B......	33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's.1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates..........		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's.1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's.2361	50,000,000	J & J	108⅛	Aug.31,'04	108½	107½	35,000
" registered.................		J & J	107⅜	Aug.29,'04	107⅝	107	18,500
Lake Shore g 3½s.............1997			100¾	Aug.30,'04	100¾	100⅜	40,000
" registered	50,000,000	J & D	98	Apr. 13,'04	....	....	....
" deb. g. 4's 1928	40,000,000	M & S	101¾	Aug.30,'04	101⅞	101⅜	634,000
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	121	Nov. 21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's...1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's.............1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's......................1931	3,576,000	M & S	121⅝	July 20,'04	....	....	....
" 5's reg.................1931		Q M	121	July 20,'04	....	....	....
" 4's......................1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg....................		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.............	1,900,000	M & S	....	....	....	....	....
" 1st g. 3½'s.............1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	100	Sept.24,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	113	Apr. 4,'04	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	2,081,000	A & O	119½	Aug.24,'04	119½	119	2,000
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's.1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's.1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	105½	Aug.23,'04	105½	104½	49,000
" registered..................		A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	131¾	Apr, 29,'03	....	....	....
New Haven and Derby con. 5's 1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's....1905	6,000,000	J & J	101⅞	Apr. 20,'03	....	....	....
" 1st 6's..................1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's.1992	17,937,000	M & S	104	Aug.27,'04	104	103¼	64,000
" registered.......$5,000 only.	....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,590,000	M & N	112½	Apr. 12,'04	....	....	....
Norfolk & Western gen. mtg. 6's.1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	127	Nov. 28,'03	....	....	....
" New River 1st 6's........1932	2,000,000	A & O	132¾	Aug. 2,'04	132¾	132½	6,000

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Norfolk & West. Ry 1st con. g. 4s.	1996	38,710,500	A & O	101⅞	Aug.31,'04	102	101⅜	271,000
" registered			A & O	99¾	June18,'03			
" small bonds			A & O					
" Pocahon C.&C.Co.jt.4's.	1941	20,000,000	J & D	94½	Aug.31,'04	95	93¼	544,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	112	Aug.25,'04	112	112	3,000
" Sci'o Val & N.E.1st g.4's,	1989	5,000,000	J & N	102	Aug.29,'04	102	101½	16,000
N. P. Ry prior ln ry.&ld.gt.g.4's..	1997	101,392,500	Q J	105	Aug.31,'04	105⅝	104⅞	191,000
" registered			Q J	104½	Aug.22,'04	104½	104	8,000
" gen. lien g. 3's	2047	56,000,000	Q F	74½	Aug.31,'04	74¾	74	176,000
" registered			Q F	72⅜	June17,'04			
St. Paul & Duluth div. g. 4's...	1996	7,897,000	J & D	97½	Aug.16,'04	97½	97½	1,000
" registered			J & D					
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	123½	June28,'04			
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
" 2d 5's	1917	2,000,000	A & O	105½	Apr. 11,'04			
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Aug.22,'04	96½	96½	7,000
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94	Aug.16,'04	94	90½	4,000
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,641,000	J & J	119	Aug.31,'04	119	118	35,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	110	July 7,'04			
" gen. mortg. g 6's	1937	2,428,000	A & O	108½	July 29,'02			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	109½	Aug.16,'04	109½	109½	3,000
Panama 1st sink fund g. 4½'s	1917	2,246,000	A & O	102½	June16,'03			
" s. f. subsidy g 6's	1910	887,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108½	Aug. 5,'04	108½	108½	7,000
" reg	1921		J & J	105¾	June25,'04			
" gtd.3½ coi.tr.reg. cts..	1937	4,895,000	M & S	98	July 16,'04			
" gtd.3½ col.tr.cts.serB	1941	9,794,000	F & A	92¼	Dec. 28,'03			
" Trust Co.ctfs. g. 3½'s.	1916	17,332,000	M & N	98	July 16,'04			
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	118½	June27,'04			
" registered		....	A & O	110	May 3,'92			
Cin.,Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J					
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000	......					
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,933,000	F & A	96	Jan. 8,'04			
E.&Pitts. gen.gtd.g.3½s Ser.B..	1940	2,240,000	J & J	102	Nov. 7,19'			
" " " C..	1940	1,479,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	110½	Aug. 3,'04	110½	110½	1,000
" Series B gtd	1942	8,786,000	A & O	110	Mar. 5,'04			
" Series C gtd	1942	1,379,000	M & N	110	Aug.17,'01	110	110	3,000
" Series D gtd. 4's	1945	4,983,000	M & N	102	July 6,'04			
" Series E gtd. g. 3½s...	1949	10,421,000	F & A	91¾	Aug. 3,'04	91¾	91¾	1,000
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy.&O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	105	Mar. 26,'04			
con. sterling gold 6 per cent...	1905	22,762,000	J & J					
con. currency, 6's registered...	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S	114	Dec. 15,'03			
" registered			Q M					
con. gold 4 per cent	1943	2,797,000	M & N	106	Aug.28,'03			
" ten year conv. 3½'s.	1912	20,694,500	M & N	99	Aug.31,'04	99	97¾	559,500
Allegh. Valley gen. gtd. g. 4's...	1942	5,389,000	M & S	110	Aug.28,19'			
Belvedere Del. con. gtd. 3½'s..	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	108½	Apr. 20,'04			
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J					
U'd N.J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	117	May 1,19'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	121	May 14,'04			
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	121⅛	Aug. 3,'04	121⅛	121⅛	1,000
" 1st con. gold 5's	1939	2,850,000	M & N	109	May 20,'04			
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	112⅝	Aug.15,'04	112⅝	112⅝	3,000
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			

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Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	115½	Mar. 7,'04	....	....	....
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	114⅛	May 5,'04	....	....	....
Reading Co. gen. g. 4's	1997	66,232,000	J & J	100	Aug.31,'04	100	98¾	489,000
" registered			J & J	100	Aug.25,'04	100	99	9,000
" Jersey Cent. col. g. 4's	1957	23,000,000	......	95¾	Aug.31,'04	96	95¾	41,000
" " registered			......	....	....	....	....	....
Atlantic City 1st con. gtd. g. 4's	1951	1,063,000	M & N	....	....	....	....	....
Philadelphia & Reading con. 6's	1911	7,304,000	J & D	....	....	....	....	....
" registered		663,000	J & D	....	....	....	....	....
" 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
" " registered		3,339,000	J & D	....	....	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	111½	July 28,'04	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	68	June27,'04	....	....	....
" guaranteed		2,277,000	......	94¼	Nov.15,'02	....	....	....
Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s	1948	4,400,000	J & J	....	....	....	....	....
Rutland Canadian 1st gtd. g. 4's	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	92	Aug.26,'04	92	87½	5,000
St. L. & Adirondack Ry. 1st g. 5's	1996	800,000	J & J	....	....	....	....	....
" 2d g. 6's	1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	103¼	June 2,'04	....	....	....
" 2d g. 6's, Class C	1906	829,000	M & N	103⅝	June24,'04	....	....	....
" gen. g. 6's	1931	3,681,000	J & J	125¼	Aug.26,'04	125½	125¼	8,000
" gen. g. 5's	1931	5,803,000	J & J	111½	Aug. 4,'04	111½	111½	3,000
St. L & San F. R. R. con. g. 4's	1996	1,558,000	J & D	96½	Aug. 9,'04	96½	96½	3,000
" S. W. div. g. 5's	1947	829,000	A & O	100	Jan. 21,'04	....	....	....
" refunding g. 4's	1951	57,853,000	J & J	84⅞	Aug.31,'04	85⅜	81¾	2,774,000
" " registered			J & J	....	....	....	....	....
" 5 year 4½'s gold notes	1908	5,728,000	J & D	94	Aug.15,'04	94	94	10,000
Kan. Cy Ft. S. & Mem RR cong 6's	1928	13,736,000	M & N	122½	Aug.22,'04	122½	122½	3,000
Kan. Cy Ft. S & M Ry ref g gtd g4s	1936	15,977,000	A & O	85¼	Aug 30,'04	85⅜	84¼	338,000
" registered			A & O	78½	Jan. 14,'04	....	....	....
Kan. Cy & M. R. & B. Co. 1st gtd g5s	1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	97	Aug.31,'04	97	96½	71,000
" 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	82½	Aug.27,'04	82½	77	101,000
" con. g. 4's	1932	12,054,000	J & D	79¼	Aug.31,'04	79¾	71¾	1,569,000
Gray's Point, Term. 1st gtd. g. 5's	1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's	1909	7,171,000	A & O	111	Aug. 9,'04	111	110¼	7,000
" 1st con. 6's	1933	13,344,000	J & J	133¾	Aug.27,'04	133¾	133½	6,000
" 1st con. 6's, registered			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s		19,294,000	J & J	108⅜	July 7,'04	....	....	....
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's	1910	5,463,000	M & N	111⅛	Aug. 9,'04	111½	111	45,000
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	103½	Aug.29,'04	104	103¼	13,000
" registered			J & D	106	May 6,'01	....	....	....
Eastern R'y Minn. 1std. 1st g. 5's	1908	4,700,000	A & O	104½	Aug.10,'04	104½	104½	2,000
" registered			A & O	....	....	....	....	....
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	135	Apr. 25,'04	....	....	....
" 1st 6's, registered			J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's	1937	4,000,000	J & J	114½	Mar. 16,'04	....	....	....
" registered			J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
" registered			J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's	1913	297,000	J & J	....	....	....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's,	1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's	1950	12,775,000	A & O	82½	Aug.31,'04	82½	70¼	253,000
" registered			A & O	....	....	....	....	....
" col. trust refdg g. 5's	1911	10,000,000	M & N	102½	Aug.30,'04	102½	100	29,000
Carolina Central 1st con. g. 4's	1949	2,847,000	J & J	92¼	Aug.10,'04	92¼	91	11,000
Fla Cent & Peninsular 1st g. 5's	1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ext g. 5's	1930	410,000	J & J	....	....	....	....	....
" cons. g. 5's	1943	4,370,000	J & J	104¾	July 18,'04	....	....	....
Georgia & Alabama 1st con. 5's	1945	2,922,000	J & J	108⅛	Aug.30,'04	108⅛	104½	75,000
Ga. Car. & Nthern 1st gtd g. 5's	1929	5,360,000	J & J	108	June30,'04	....	....	....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	....	....	....	....	....
Sodus Bay & Sout'n 1st 5's, gold,	1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.								
" 2-5 year col. trust g. 4½'s	1905	30,000,000	J & D	101¼	Aug.31,'04	101½	100⅞	239,000
" g. 4's Central Pac. coll.	1949	28,818,500	J & D	94¼	Aug.29,'04	95	93⅛	261,500
" " registered			J & D	94½	Aug.17,'04	94½	94½	1,000

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Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	102	Apr. 29,'04			
Cent. Pac. 1st refud. gtd.g. 4's	1949	70,496,000	F & A	100⅛	Aug. 31,'04	100⅛	99½	259,000
" registered			F & A	99¼	Mar. 5,'93			
" mtge. gtd. g. 3½'s	1929	18,040,500	J & D	88⅝	Aug. 30,'04	88⅝	87¾	200,000
" " registered			J & D					
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	107	Aug. 23,'04	107	107	2,000
" 2d g 7's	1905	1,000,000	J & D	103¾	Apr. 12,'04			
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	107	June 1,'04			
Gila Val.G.& N'n 1st gtd g 5's	1924	1,514,000	M & N	107	Aug. 1,'04	107	107	2,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	105	Dec. 18,'03			
" 1st gtd. g. 5's	1933	2,199,000	M & N	103⅛	July 7,'04			
Houst. & T.C. 1st g 5's int. gtd.	1937	5,287,000	J & J	113	July 23,'04			
" con. g 6's int. gtd.	1912	2,616,000	A & O	112¾	Aug. 1,'04	112¾	112¾	2,000
" gen. g 4's int. gtd.	1921	4,287,000	A & O	94	July 30,'04			
" W&N wn.div.1st.g.6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02			
Louisiana Western 1st 6's	1921	2,240,000	J & J					
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	121	May 6,'04			
" 1st 7's	1918	5,000,000	A & O	130	Apr. 26,'04			
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O					
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	104⅝	July 23,'04			
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01			
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	100	Jan. 8,'04			
San Ant.&Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	85¾	Aug. 31,'04	85⅞	82½	587,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	107¼	Aug. 31,'04	107¼	106	35,000
" " "	1910	4,000,000	J & J	107¾	Aug. 8,'04	107¾	107	73,000
" of Cal. 1st g 6's ser. A	1905	29,187,500	A & O	102	May 6,'04			
" " " ser. B	1905		A & O	102	Oct. 22,'03			
" " " C. & D.	1906		A & O	103	Apr. 12,'04			
" " " E. & F.	1902		A & O	115¼	June 14,'04			
" " "	1912	....	A & O	116	June 29,'04			
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04			
" stamped	1905-1937	21,546,000	......	109	Aug. 9,'04	109	109	4,500
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J					
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Mar. 9,'04			
Tex. & New Orleans 1st 7's	1905	862,000	F & A	101	Feb. 5,'04			
" Sabine div. 1st g 6's	1912	2,575,000	M & S	111½	Oct. 30,'02			
" con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04			
Southern Railway 1st con. g 5's	1994	40,525,000	J & J	116¾	Aug. 31,'04	117⅝	114⅛	500,000
" registered			J & J	110	Feb. 29,'04			
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	97¼	Aug. 29,'04	97	95½	45,500
" registered			M & S					
" Memph.div.1st g.4-4½-5's	1996	5,183,000	J & J	114	July 18,'04			
" registered			J & J					
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	97	Aug. 22,'04	97	95½	64,000
" " registered			J & J					
Alabama Central, 1st 6's	1918	1,000,000	J & J	117½	Apr. 20,'04			
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	94¾	Aug. 24,'04	95¾	94¾	6,000
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O					
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04			
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115	Aug. 20,'04	115	113¾	4,000
" con. 1st g 5's	1956	12,770,000	M & N	119¾	Aug. 24,'04	120	119	17,000
" reorg. lien g 4's	1938	4,500,000	M & S	112	July 11,'04			
" registered			M & S					
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	122⅛	Aug. 18,'04	122⅛	122⅛	5,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	124	July 28,'04			
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116	Aug. 11,'04	116	116	1,000
" deb. 5's stamped	1927	3,368,000	A & O	112⅝	June 24,'04			
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	87½	July 26,'04			
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	105½	June 29,'04			
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04			
" small			M & S					
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03			
" small			M & S					
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02			
" small			M & S					
" ser. D 4-5's	1921	950,000	M & S	110	June 28,'04			
" small			M & S					
" ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04			
" small			M & S					
" ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03			
Virginia Midland gen. 5's	1936	2,392,000	M & N	116	Aug. 12,'04	116	112¾	30,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04			
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03			
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	July 26,'04			
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'			
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02			
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	114½	Dec. 1,'03			
" 1st con. g. 5's	1894-1944	5,000,000	F & A	116¼	June 17,'04			

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" gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	99¾	Aug. 24,'04	100¼	98¼	139,000
" " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,741,000	M & S	102	July 6,'04	....	....	....
" 1st gold 5's	2000	22,234,000	J & D	119	Aug. 29,'04	119⅛	118	20,000
" 2d gold income, 5's	2000	963,000	MAR.	81	Aug. 15,'04	81	81	9,000
" La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	109⅛	Aug. 5,'04	109⅛	109⅛	5,000
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106½	Mar. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114⅞	May 14,'04	....	....	....
" 1st M. g 5's West. div	1935	2,500,000	A & O	111	May 31,'04	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	107	Aug. 30,'04	107¾	107	8,000
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96	Aug. 26,'04	96	96	7,000
Toledo, Peoria & W. 1st g 4's	1917	4,900,000	J & D	90	July 28,'04	....	....	....
Tol., St. L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	87	Aug. 31,'04	87	85	68,000
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	77⅞	Aug. 30,'04	77⅞	72⅛	61,000
" registered			A & O	....	....	....	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	Apr. 29,'03	....	....	....
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	111½	Aug. 13,'04	111½	110	6,000
" 1st ref. g. 4's	1952	700,000	A & O	93	Aug. 10,'04	93	92¾	6,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105¼	Aug. 31,'04	105¾	105	416,000
" registered			J & J	104	May 24,'04	....	....	....
" 1st lien con. g. 4's	1911	87,257,000	M & N	104⅛	Aug. 31,'04	105⅛	101⅛	7,705,000
" registered			M & N	98½	June 21,'04	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's	1946	21,482,000	J & D	102⅛	Aug. 31,'04	102⅛	101¾	137,000
Oreg. Short Line Ry. 1st g. 6's	1922	13,651,000	F & A	122	Aug. 29,'04	122	121	8,000
" 1st con. g. 5's	1946	12,328,000	J & J	117	Aug. 29,'04	117⅛	114¼	120,000
" 4's & participat'g g. bds.	1927	41,000,000	F & A	96⅞	Aug. 31,'04	97	95¼	1,084,000
" registered			F & A	95¼	Apr. 13,'04	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's	1926	1,812,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	103	Aug. 6,'04	103	103	1,000
Wabash R.R. Co., 1st gold 5's	1939	33,001,000	M & N	117½	Aug. 30,'04	118	117¼	70,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	107¾	Aug. 30,'04	108	107½	46,000
" deben. mtg series A	1939	3,500,000	J & J	95	July 21,'04	....	....	....
" series B	1939	26,500,000	J & J	62¾	Aug. 31,'04	63	58	2,115,000
" first lien eqpt. fd. g. 5's	1921	2,755,000	M & S	102	Jan. 13,'04	....	....	....
" 1st lien 50 yr. g. term 4's	1954	1,416,000	J & J	....	....	....	....	....
" 1st g. 5's Det. & Chi. ex	1940	3,349,000	J & J	110½	June 9,'04	....	....	....
" Des Moines div. 1st g. 4s	1939	1,600,000	J & J	90	Feb. 20,'04	....	....	....
" Omaha div. 1st g. 3½s	1941	3,000,000	A & O	83⅝	Aug. 11,'04	83⅝	83⅝	14,000
" Tol. & Chic. div. 1st g. 4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	473,000	A & O	109⅛	Mar. 13,'03	....	....	....
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	116½	Aug. 26,'04	116½	116½	1,000
" gen g. 3-4's	1943	9,789,000	A & O	96	Aug. 19,'04	96	96	5,000
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's	1911	3,250,000	J & J	111	Aug. 12,'04	111	111	2,000
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112	Apr. 18,'04	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	110¼	May 17,'04	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
" 20 year eqptmt s. f. g. 5's	1922	2,152,000	J & J	100½	Aug. 1,'04	100½	100½	5,000
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	91⅛	Aug. 31,'04	91⅛	91	91,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	89½	Aug. 29,'04	90	89½	91,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....	....	....	....	....
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	106⅛	Aug. 31,'04	106⅛	105	31,500
" 1st ref. conv. g. 4's	2002	5,000,000	J & J	80⅝	Aug. 31,'04	82⅛	78	1,104,000
" " registered			J & J	....	....	....	....	....
" City R. R. 1st c. 5's 1916	1941	4,378,000	J & J	110	Aug. 22,'04	110	109½	3,000
" Qu. Co. & S. c. gd. g. 5's	1941	2,255,000	M & N	103	Aug. 23,'04	103	102	6,000
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	107¼	Aug. 31,'04	108¼	106	73,000
" stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	90⅞	Aug. 31,'04	91¼	88½	302,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	86⅝	Aug. 31,'04	88	82⅞	519,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g 4½'s	1951	8,355,000	J & J	97¼	Aug. 19,'04	98	97	59,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June 13, 19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
Detroit Cit'ens St. Ry. 1st con. g. 5's	1905	5,485,000	J & J	103	Nov. 23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

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Metro. St. Ry N.Y.g.col.tr.g.5's.1997	12,500,000	F & A	114¼	Aug.23,'04	116	114¼	18,000
" refunding 4's..........2002	15,134,000	A & O	92¾	Aug.30,'04	92¾	91	3:4,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	116	July 13,'04	....	....	....
" registered..................		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's, 1993	3,000,000	M & S	118¾	Aug. 8,'04	118¾	118¾	2,000
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	117¾	Aug.11,'04	117¾	117¾	2,000
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	96½	Aug.31,'04	96½	94	297,000
" registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	121	June29,'04	....	....	....
Met. West Side Elev. Chic. 1st g.4's.1938	9,808,000	F & A	94	June 2,'04	....	....	....
" registered..................		F & A	....	....	....	....	....
Mil. Elec. R. & Light con. 30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's..........1919	4,050,000	J & J	110	June26,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g.5's.1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04	....	....	....
" gtd. gold 5's............1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
United Railways of St.L. 1st g.4's.1934	28,292,000	J & J	79½	Aug.18,'04	80	79¼	3,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	84	Aug.31,'04	84⅛	84	200,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	103¼	Aug.31,'04	103½	103	26,000
Am. Steamship Co. of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N.Y. 1st c.g.5's.1948	6,500,000	F & A	63	Aug.24,'04	64	62	8,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Sept.30,'03	....	....	....
Der. Mac. & Ma. ld.gt.3½'s sem.an.1911	1,775,000	A & O	81	July 28,'04	....	....	....
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's..........1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	90½	Aug.29,'04	90½	90	48,000
" registered..................		F & A	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	.. ..	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's..............1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's..............1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's..............1903-1918	1,000,000	F & A	....	....	....	....	....
" H 4's..............1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's..............1904 1919	1,000,000	F & A	....	....	....	....	....
" J 4's..............1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's..............1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds..................	....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	98	July 8,'04	....	....	....
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	87	Aug.30,'04	87	85	79,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	87	Aug 16,'04	87	87	8,000
Am. Thread Co. 1st coll. trust 4's.1919	6,000,000	J & J	82⅝	Aug.26,'04	82⅝	80¾	37,000
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	70¾	Aug.31,'04	72¼	62	11 493,000
" registered..................		F & A	68½	Aug.31,'04	68½	68½	3,000
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	66½	Aug.31,'04	67½	64⅛	449,000
Dis. Co. of Am. coll. trust g 5's..1911	2,550,000	J & J	99	Sept.16,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	1,400,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....
Internat'l Paper Co. 1st con.g 6's.1918	9,724,000	F & A	106¾	Aug.17,'04	106¾	106½	3,000
Int. Steam Pump 10 year deb. 6's.1913	2,500,000	J & J	102	Aug.30,'04	102	101	30,000
Knick'rb'ker Ice Co. (Chic) 1st g 5's.1928	1,937,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	101¾	Aug.31,'04	102	100¾	116,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,856,000	J & J	89	July 19,'04	....	....	....
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	64	Aug. 2,'04	64	64	3,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	40	July 30,'04	....	....	....
Standard Rope & Twine inc.g.5s..1946	7,500,000	......	2½	Aug.30,'04	2½	1½	35,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name.	Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	August Sales. High.	August Sales. Low.	August Sales. Total.
United Fruit Co., con. 5's	1911	2,446,000	M & S					
U. S. Env. Co. 1st sk. fd. g. 6's	1918	2,000,000	J & J					
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	111½	Aug.25,'04	111½	110½	48,000
U. S. Reduction & Refin. Co. 6's	1931			79	Aug.12,'03			
U.S. Realty & Imp.con.deb.g.5's	1924	13,098,900		84¾	Aug.30,'04	85	80	424,000
U.S. Shipbldg.1st & fd g.5's ser. A.	1932	14,500,000	J & J	28	Feb. 5,'04			
• collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03			
U.S.SteelCorp.10-60yr.g.sk.fd5's	1963	170,000,000	M & N	79¾	Aug.31,'04	80	78	7,188,000
• • • reg.	1963		M & N	79¼	Aug.31,'04	79¾	77¾	16,000
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g. s.fd.g 5's	1943	5,355,000	F & A	100	Aug.23,'04	100	100	35,000
• conv. deb. g. 5's	1911	1,710,000	F & A	74	July 20,'04			
• • registered			F & A					
• • Trust Co. certfs		12,358,000		72⅛	Aug.30,'04	72⅛	71½	41,000
Col. C'l & I'n Dev.Co. gtd g.5's	1909	700,000	J & J	55	Nov. 2,19'			
• Coupons off								
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	105	Mar. 9,'04			
Grand Riv. C'l & C'ke 1st g. 6's	1919	949,000	A & O	102½	July 26,'02			
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A					
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105⅛	Oct. 10,'98			
• 2d g. 5's	1926	1,000,000	J & D	102½	Oct. 27,'03			
Kan. & Hoc. Coal&Coke 1st g.5's	1951	3,000,000	J & J	105	Oct. 24,19'			
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,146,000	J & J	106¼	Feb. 27,'02			
Roch & Pitts.Cl&Ir.Co.pur my5's.	1946	1,064,000	M & N					
Sun. Creek Coal 1st sk. fund 6's	1912	335,000	J & D					
Tenn. Coal, Iron & R.R. gen. 5's	1951	3,000,000	J & J	92	July 26,'04			
• Tenn. div. 1st g. 6's	1917	1,182,000	A & O	106	Apr. 30,'04			
• Birmingh. div. 1st con.6's	1917	3,637,000	J & J	108	Aug. 5,'04	108	108	8,000
Cahaba Coal M. Co., 1st gtd.g.6's	19:2	892,000	J & D	102	Dec. 28,'03			
De Bardeleben C&I Co.gtd.g.6's	1910	2,729,500	F & A	102	Aug. 5,'04	102	101¼	4,000
Utah Fuel Co. 1st s. f. g. 5's	1931	866,000	M & S					
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,433,000	M & S	71	Aug.13,'04	71	71	6,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D					
B'klyn Union GasCo.1st con g. 5's.	1945	14,493,000	M & N	115⅝	Aug. 5,'04	115¾	115⅝	5,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	70	Aug.12,'04	70	63	12,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98			
Detroit City Gas Co. g. 5's	1923	5,603,000	J & J	96½	Aug.22,'04	96½	96¼	13,000
Detroit Gas Co. 1st con.g.5's	1918	381,000	F & A	105	June 2,'03			
Eq. G. L. Co. of N.Y. 1st con.g.5's.	1932	3,500,000	M & S	112	Nov.11,'03			
Gas. & Elec. of Bergen Co, c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01			
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	90½	July 7,'04			
Grand Rapids G. L. Co. 1st g.5's.	1915	1,225,000	F & A	107¾	Dec. 17,19'			
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105¼	Aug.11,'04	105¼	105¼	2,000
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O					
Kings Co. Elec. L.&Power g. 5's	1937	2,500,000	A & O					
• purchase money 6's	1997	5,010,000	J & J	122¼	Aug.30,'04	122¼	120¼	5,000
Edison El.Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	94⅝	June23,'04			
Lac. Gas L't Co. of St. L. 1st g.5's.	1919	10,000,000	Q F	108¼	Aug.17,'04	108¼	107¾	15,000
• small bonds				97½	Nov. 1,'95			
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	90¼	July 30,'04			
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D					
N.Y.GasEL.H&PCo1st col tr g 5's.	1948	15,000,000	J & D	109¼	Aug.26,'04	109½	109	67,000
• registered			J & D					
• purchase mny col tr g 4's.	1949	20,927,000	F & A	94¼	Aug.30,'04	94½	93¾	62,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	105¾	July 29,'04			
• 1st con. g. 5's	1995	2,156,000	J & J	120½	June27,'04			
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	101	May 11,'04			
N.Y.& RichmondGasCo.1st g. 5's.	1921	1,000,000	M & N	100	Mar. 15,'04			
Paterson&Pas. G.&E. con.g.5's	1949	3,317,000	M & S					
Peop's Gas & C. Co. C. 1st g. g 6's.	1904	2,100,000	M & N	101½	June14,'03			
• 2d gtd. g. 6's	1904	2,500,000	J & D	101¾	Aug. 2,'04	101¾	101¾	3,500
• 1st con. g 6's	1943	4,900,000	A & O	124½	July 18,'64			
• refunding g. 5's	1947	2,500,000	M & S	103	Apr. 9,'04			
• refuding registered			M & S					
Chic.Gas Lt&Coke 1st gtd g.5's.	1937	10,000,000	J & J	107	July 28,'04			
Con. Gas Co.Chic. 1st gtd.g.5's.	1936	4,346,000	J & D	107	Aug.23,'04	107	107	11,000
Eq.Gas&Fuel,Chic.1st gtd.g.6's.	1905	2,000,000	J & J	101	Mar. 5,'04			
MutualFuelGasCo.1st gtd.g.5's.	1947	5,000,000	M & N	101½	Aug.29,'04	101½	101½	7,000
• registered								
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D					
Trenton Gas & Electric 1st g. 5's.	1949	1,500,000	M & S	109	Feb. 8,'01			
Utica Elec. L. & P. 1st s. f'd g.5's.	1950	1,000,000	J & J					
Westchester Lighting Co. g. 5's.	1950	5,330,000	J & D					

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	38,000,000	J & J	94	June30,'04	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	10,674,800	Q & J	100⅛	Apr. 8,'02	....	....	....
" registered	....		Q & J	100⅛	Oct. 8,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	1,823,000	M & N	109¾	June22,'04	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	109	Aug.19,'04	109	108¼	32,000
" fundg & real estate g.4½'s.	1950	17,000,000	M & N	105	Aug.30,'04	105	104⅛	55,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107	June20,'04	....	....	....
Northern Tel. Co. gtd fd.4½'s.	1934	1,500,000	J & J	103	July26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
United States con. 2's registered	1930	542,909,950	Q J	107¼	104¾	105¼	105⅛	6,000
" con. 2's coupon	1930		Q J	106¼	105¼	....	....	......
" con. 2's reg. small bonds	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	77,135,300	Q F	106¾	104⅝	105	104⅝	17,000
" 3's coupon	1908-18		Q F	108	105¼	105¼	105¼	4,500
" 3's small bonds reg	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	107⅛	104⅞	105⅛	104⅞	600
" 4's registered	1907	156,801,500	J A J&O	108¼	106⅜	....	....	......
" 4's coupon	1907		J A J&O	108	106⅜	106¾	106⅜	4,000
" 4's registered	1925	118,489,900	Q F	132⅞	132⅜	....	....	......
" 4's coupon	1925		Q F	134	131⅛	131⅛	131⅛	13,000
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered	....		F & A	....	....	....	....	......
Philippine Islands land pur. 4's	1914-34	7,000,000	Q F	111¾	111¾	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	102¾	102	102⅛	102	9,500
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	105	102¼	....	....	......
" " small bonds	....							
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	102⅛	101	....	....	......
" small	....		J & J					
" 6's	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds	1866-1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds	1892-1898	624,000	J & J	....	....	....	....	......
" "	....		A & O	....	....	....	....	......
" Chatham R. R.	....	1,200,000	A & O	....	....	....	....	......
" special tax Class 1	....	....	A & O	....	....	....	....	......
" " Class 2	....	....	A & O	....	....	....	....	......
" " to Western N. C. R.	....	....	A & O	....	....	....	....	......
" " Western R. R.	....	....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R.	....	....	A & O	....	....	....	....	......
" " Western & Tar. R.	....	....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's	1913	6,681,000	J & J	97	95¼	96	96	3,000
" registered	....	6,079,000	J & J	....	....	....	....	......
" small bond	....	362,200	J & J	95	95	95	95	900
" redemption 4's	1907	469,000	A & O	....	....	....	....	......
" 4½s	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s	1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Virginia fund debt 2-3's of 1991	18,054,809	J & J	94	91½	94	94	500
" registered		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	8,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. " of deposit. Issue of 1871.....	8,716,565	....	8	6½	6⅛	6⅛	10,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1 1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's 1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200	£22,076,220	......	104⅛	97⅛	104⅛	104⅛	500
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

UNITED STATES PUBLIC DEBT.—The deficit in the income of the Government is having its effect upon the public debt statement, an increase in the net debt of $6,600,000 being shown in August, making an increase of $20,000,000 since July 1st. There has been little change in the general items of the debt, the increase in net debt being due to a decrease in the Treasury assets. The Government issued about $6,000,000 additional gold certificates last month, making the total more than $527,000,000. There are now nearly $1,008,000,000 of gold and silver certificates and Treasury notes of 1890 outstanding. The cash balance is now less than $148,000,000, while on October 1st last year it was $239,000,000.

UNITED STATES PUBLIC DEBT.

	June 1, 1904.	*July 1, 1904.*	*Aug. 1, 1904.*	*Sept. 1, 1904.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,100	156,593,150	156,593,400	156,593,650
Refunding certificates, 4 per cent......	29,120	29,080	28,930	28,770
Loan of 1925, 4 per cent..................	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt...........	$895,157,430	$895,157,440	$895,157,540	$895,157,630
Debt on which interest has ceased... ...	2,109,950	1,970,920	1,881,130	1,841,270
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	37,717,056	35,526,542	34,220,208	34,765,732
Fractional currency......................	6,869,850	6,869,250	6,869,250	6,869,250
Total non-interest bearing debt......	$391,321,769	$389,130,655	$387,824,321	$388,369,845
Total interest and non-interest debt.	1,288,589,149	1,286,259,016	1,284,862,092	1,285,368,746
Certificates and notes offset by cash in the Treasury:				
Gold certificates..........................	489,974,869	494,290,569	521,430,969	527,336,969
Silver "	471,662,000	470,476,000	469,645,000	468,329,000
Treasury notes of 1890	13,473,000	12,978,000	12,653,000	12,225,000
Total certificates and notes...........	$975,109,869	$977,744,569	$1,003,728,969	$1,007,890,969
Aggregate debt	2,263,699,018	2,264,003,585	2,288,591,961	2,293,259,715
Cash in the Treasury:				
Total cash assets	1,373,468,690	1,382,657,911	1,398,829,075	1,400,956,603
Demand liabilities........................	1,060,181,175	1,063,630,669	1,094,747,495	1,102,981,239
Balance	$313,287,515	$319,027,242	$304,081,579	$297,975,364
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	163,287,515	169,027,242	154,081,579	147,975,364
Total	$313,287,515	$319,027,242	$304,081,579	$297,975,364
Total debt, less cash in the Treasury.	975,301,634	967,231,774	980,781,413	987,393,382

BANKERS' OBITUARY RECORD.

Barnes.—A. G. Barnes, until January of this year President of the Farmers' National Bank, Taylorville, Ill., died August 8. He was born at Harrisburg, Pa., September 4, 1835. In 1867 he aided in organizing the Christian County Bank, at Taylorville, Ill., the name afterwards being changed to the Farmers' National Bank, of which Mr. Barnes was President until compelled by ill health to retire.

Bikle.—John L. Bikle, Cashier of the Hagerstown (Md.) Bank, died August 7, aged fifty-seven. He had been connected with the bank for twenty-three years.

Curtis.—S. Minot Curtis, President of the National Bank of Newark, Del., died August 17 in his eighty-sixth year.

Dempsey.—Col. John Dempsey, a wealthy resident of Shelby, Ohio, and President of the First National Bank of that place, died August 17, aged seventy-four years.

Dixon—William T. Dixon, President of the National Exchange Bank, Baltimore, Md., died August 16.

Erickson.—G. A. Erickson, city treasurer of Fergus Falls, Minn., and Assistant Cashier of the Fergus Falls National Bank, died August 1.

Gill.—N. E. Gill, President of the Farmers' Bank, of Salvisa, Ky., died August 4, aged sixty-two years.

Iuen.—John B. Iuen, President of the Milford (Ohio), National Bank, died August 1. He was born in France eighty years ago, but came to this country in early manhood.

Martin.—Wm. H. Martin, President of the Union National Bank, Frenchtown, N. J., died August 10. He was born in Hunterdon County, N. J., June 17, 1846. In 1887 he was elected President of the Union National Bank. He had been Mayor of Frenchtown, a member of the Board of Freeholders, member of the Assembly and State Senator.

McLaughlin.—James McLaughlin, President of the Merchants' National Bank, Nashville, Tenn., died August 14. He was a native of Ireland, and was seventy years of age.

Moore.—William Moore, Vice-President of the Manufacturers' Bank, Cohoes, N. Y., died August 15. Mr. Moore was born in Ireland in 1827.

Nagasaki.—A cable dispatch received from Yokohama at the New York office of the Yokohama Specie Bank August 17 brought news of the death of Gojuro Nagasaki, well known in banking circles in New York city, he having been for about ten years local agent of the Yokohama Specie Bank. Mr. Nagasaki left this country last September to become sub Manager of the bank at the home office. He was at one time an officer in the Department of Finance in the Japanese Empire. Later he was with the Bank of Japan. His connection with the Yokohama Specie Bank dated from 1893.

Rinek.—Thos. Rinek, President of the Northampton County National Bank, Easton, Pa., died August 23, in his sixty-fourth year.

Rockwood.—Charles G. Rockwood, who, for many years, was identified with financial institutions of Newark, N. J., and New York, died July 17, aged ninety years.

Mr. Rockwood was born in Boston. He was stepson of the Rev. Dr. Thomas E. Vermilye, who for half a century was pastor of the Collegiate Reformed Church of New York. Mr. Rockwood, after several years' connection with New York banks, was chosen Cashier of the Orange National Bank of Orange, N. J., in 1849. He later became Cashier of the Stamford National Bank of Stamford, Conn., which position he held until 1852, when, with Fisher Hazard, he organized the banking firm of Rockwood, Hazard & Co., of Mauch Chunk, Pa. Five years later he removed to Norwalk, Conn., and became Cashier of a bank there, but before serving long was made Cashier of the National Newark Banking Company, which position he held until 1887, when he was elected President of that institution. He resigned from this position two years ago, but has since been a director as well as a member of the board of directors of the Howard Savings Institution of Newark. He was for the past thirty years a trustee of the Newark Academy and was prominent in church and historical society affairs.

Sisson.—Noel E. Sisson, Vice-President of the First National Bank, Albany, N. Y., and a director of the Albany Trust Co., died August 11, aged eighty-three years.

Starr.—John F. Starr, President of the First National Bank, Camden, N. J., died August 9, aged eighty-six years. In 1862 he was elected to Congress from the First District of New Jersey, and was re-elected in 1864. He was the founder of the Camden Iron Works, one of the largest iron foundries in the world.

Stellwagen.—Geo. H. Stellwagen, Vice-President of the Wayne (Mich.) Savings Bank, died August 11. He was born in Germany in 1840, coming to this country with his parents when about twelve years of age. He had been county treasurer and sheriff, but of late years had given his attention to banking.

Stetson.—Amos W. Stetson died in Zurich, Switzerland, August 10. Mr. Stetson was born in Boston in 1827, and was for some time interested in the leather trade. In 1859 he became a director in what is now the State National Bank, and was President from 1866 to 1890, when he resigned, continuing to be a director up to his death. He was an incorporator of the New England Trust Co., and Vice-President when he died.

THE

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THE QUESTION OF CURRENCY REFORM was very prominent at the recent convention of the American Bankers' Association. It is plain that there is much diversity of opinion as to what currency reform is desirable. But from the addresses in which reference to this subject was made, it is evident that many bankers would like to see the restrictions and obstacles which now prevent the banks from using their credit in the form of promissory notes removed. There is no doubt that most bankers would agree that an ideal currency would be one based on the credit of the banks, and secured by a safety fund, redeemable at all times in gold, and forced to such redemption as soon as the demand which caused its issue had ceased, and its ultimate redemption in case of bank failure.

But while there might be general agreement as to the desirability of a safe, elastic bank currency, there is great diversity of opinion as to the practicability of such a currency. Many believe such a bank currency to be an "iridescent dream," and there are certainly so many obstacles, and restrictions, and old-established ways of doing business which would have to be overcome, removed, or modified, that those who think this are not far wrong.

One very important obstacle is the present occupation of the currency field by two forms of Government notes—legal-tender notes and silver certificates—which the Government has to maintain at par. Another obstacle is the present National bank currency, which represents a principle directly opposed to that on which an asset currency is based. The National bank notes are based on specific and absolute security, while the proposed currency rests on credit.

The principle on which National bank notes are issued was adopted in 1863, when the Government was obliged to issue large amounts of bonds, and at that time was thought not only one that would sustain the credit of the Government, but as being one which was a marked

improvement on the asset currency which had previous to that time been issued by the State banks. Experience has shown the National bank currency to have the disadvantage of expanding and contracting only with the fluctuations of the bond market. It is profitable to the banks chiefly in connection with their transactions in United States bonds. But it still has the advantage that first recommended it to the statesmen who devised the system—that it lessens the loan charges of the Government. Undoubtedly the use of bonds as a basis of bank currency has been a very important factor in the successful funding of the National debt, and is the reason why the rate of interest paid on loans by the United States is so much lower than that paid by other governments of presumably equal credit.

So long as there is any prospect of the issue of new loans by the United States, Congress will hesitate to alter the present system of bank currency.

Another obstacle to the adoption of the ideal bank currency is the system of free and independent banks of such diverse classes, which is the outgrowth of general banking laws both National and State. If the free issue of bank notes on bank credit be permitted, it would be almost impossible to secure uniformity of value for the notes of so many banks of such varying degrees of credit.

Mr. A. J. FRAME, who has heretofore opposed the free use of bank credit as a basis for note issues as a substitute for the present system, points out, in his address at the convention last month, that where this privilege is granted in European countries it is usually to large central banks, such as the Bank of France. In England the privilege once possessed by joint stock and private banks is fast merging in the Bank of England, which puts up Government securities against its issues in much the same manner as under our National banking system. The Scotch and Irish banks, on which Canadian and other colonial banks are modelled, are protected from the competition of new banks. If, for instance, in the United States banking were restricted to banks of certain amounts of capital and a given banking experience, no new banks being permitted to organize, then perhaps it might be as safe to permit the issue of notes on bank credit as it is in the case of the Canadian or Scotch banks. But with new banks continually organizing, each under a general law, claiming the right to issue notes, it is obvious that the case is very different.

Mr. FRAME justly observes that banks will not issue notes without profit. The National banks, as has been said, find this profit, small as it is, in the bond market. If restrictions were imposed on bank notes issued on bank credit, to positively insure their speedy redemption and their ultimate safety, it is doubtful if the profit to the banks would be as great as on the present National bank currency.

There would be no inducement to honestly managed banks to use the concession.

In fact, the subject of currency reform, as far as it means a change to bank-note issues based on bank credit, is surrounded by such difficulties that it is not surprising that bankers view the matter from so many different standpoints and fail to agree on any plan. As to emergency circulation there is the same diversity of opinion. The idea of an emergency circulation arises from a desire to in some way impart the elasticity which the present currency lacks. It is a concession that the present currency answers the purpose well enough in ordinary times, but needs some piecing out when panics arise. The plans for emergency circulation are founded on the co-operation of banks in clearing-houses. There is a growing feeling among banks against too much co-operation. In fact, it is not apparently good business for the strong banks when an emergency arises to be continually helping their weak competitors. Of course it was self-preservation that led the clearing-house banks to issue clearing-house loan certificates. The banks forming the association were then as a rule of nearly equal strength, or at least there was a closer approximation to equality than there is to-day. By consolidation and increase of capital and business, there are some banks to-day in nearly every clearing-house association which have become so strong as to no longer dread to stand alone. They do not fear emergencies as formerly. Perhaps the disappearance of weaker rivals would advance their interests. At any rate, emergency circulation, like a safety fund, compels strong banks to uphold the weak and is in some degree at least a contravention of natural law, which is continually working for the survival of the fittest. Among so many banks of such varying degrees of strength, and looking at the question from so many different standpoints, it is not at all surprising that there should be no common ground of agreement as to currency reform.

THE BANK MONEY ORDERS prepared under the direction of the committee of the American Bankers' Association are now being offered to the public. It is believed that the banks will gradually obtain a great share of the new business which must with the growth of the country necessarily arise in this line, even though the present business done by the post offices and express companies is not much lessened.

The success of the express companies and post offices in building up the money-order business in the past has been due in some measure to the apathy of the banks, but chiefly to the wide distribution of express offices, etc., compared with banks. In remitting small sums

the public, especially that portion who do not keep bank accounts, have become accustomed to look to the express companies and post offices for the facilities they need, and the banks will not find it easy to break into this habit to any serious extent. They may, however, accomplish a great deal by gradually educating people to the fact that they may remit their money through the banks with less trouble and annoyance than in any other way. It is undoubtedly the case that the banks do this business with less red tape and delay about the making out of orders and identification on payment than the express companies and post offices. One great objection to post office orders is the vexatious restrictions that often seem to cause delay and annoyance in getting them. It seems that the greatest chance of the banks to compete is along lines of extending greater facility and courtesy as well as more moderate charges. By a steady persistence in this way the banks may undoubtedly in time secure a respectable share of the money-order business.

THE PROSPECTS FOR THE REVIVAL OF TRADE seem to be favorable, although much depends upon the weather at the present writing. The season has been a rather remarkable one, in that there has been an unusually low average of temperature. Both the wheat and corn crops have suffered from this and their period of maturity in many sections has been much delayed. If, however, there is no serious premature frost the corn crop may be greater than earlier conditions gave ground for expecting. Very often a season like the present with no extremes either of heat or cold is followed by a long fall which to some extent restores something like the usual annual average.

In such a season as this, when exceptional weather has kept the estimators of the crops in a condition of uncertainty, it is reasonable to believe that agricultural prosperity will be greater in the Southern part of the United States than in the North and Northwest, and this seems to be the fact.

Although prices for grain have been high and something has been made up in this way for the reduction in quantity, yet the distribution of the rewards of agriculture have been unequal. While many parts of the country have been prosperous others, where the destruction and failure of grain and other crops have been most severe, feel very poor. The average prosperity may not be so much diminished, but there will be fortunate and unfortunate sections. The fall trade must undoubtedly be unfavorably affected by the less prosperous condition of many localities in the North and Northwest, that will feel less like making purchases. Whether this falling off in some places will be compensated for by an increase of business from the favored localities, is a

question. The greatest prosperity seems to have been in the South, and it is generally thought the South does not spend its money as freely as the West.

It seems indisputable that the year, while not by any means a disastrous one, has not so far answered to the expectations at the beginning of the season. There will probably be a tendency on the part of the public to go very carefully in the matter of expenditures. The tendency to economy is not a bad thing, and everybody has had fair enough warning not to expect too much, not only in the fact that it is a presidential year, but in the continually postponed prospects of the crops. So far as foreign trade is concerned, there will not be so much grain for export as usual, but this may be made up by exports of cotton, and of manufactured products. But while there has not been the buoyancy of feeling which characterized the years before 1903, yet there seems to be no serious depression. There is still a possibility that the crops of wheat and corn may be larger than the pessimistic reports of weather conditions have led people to believe. There is reason to suspect very strongly that pessimistic reports started to influence speculation, whether they prove to have been well founded or not, will have effect in depressing fall trade, or at least delay its revival.

THE STOCK OF MONEY in circulation in the country continually increases. During August $11,000,000 was added to it. Nearly half of this was gold coin. No matter how much the reserves accumulate in the money centres, indicating a diminished demand, there never seems to be any contraction. There are, in fact, only two items of the various kinds of money in circulation in which any contraction might be looked for—gold and National bank notes. The Treasury notes of 1890 are of course slowly diminishing, but as when they are redeemed and cancelled they are replaced by silver certificates, and as but about $12,200,000 of them altogether remain outstanding, they may be entirely dismissed from consideration. There seems to be no prospect of any exportation of gold, rather the contrary, and National bank notes can at the best be reduced only $3,000,000 per month. The retirement of the National bank notes by the banks at this rate has at first the effect of locking up an equivalent amount of legal-tender money, the bank notes often remaining in circulation for a considerable period after their nominal retirement.

The United States has a stock of money per capita in excess of any of the great commercial nations except France, and if the process of increase continues it is impossible to tell what the final limit may be. Even now the dreams of the fiat money men as to quan-

tity of money appear to have been realized, although happily not as to quality. Even if the country has a big stock of money on hand, no more of it is in actual use than business demands. It is claimed by some that there is a waste of energy in storing up a stock of money greater than can be employed, but although theoretically this ought apparently to be true, it is difficult to see what methods could be used to dispose of the surplus stock to advantage. The country has gone on for many years with what by economists is generally considered a plethora of money, and yet in most parts of the United States there is always opportunity for investment at good rates of interest. The banks of the country who would apparently suffer the most from this plethora are most of them highly prosperous, they declare their dividends regularly, and the business they do is so great that this plethoric mass of actual money, all good dollar for dollar in gold, has to be supplemented by the issue of checks the volume of which used from day to day reduces the mass of actual money to comparative insignificance.

There is no doubt that what would be considered an undue allowance of real money in circulation in most any other country does not really constitute an overplus in the United States. There perhaps is no country in the world of equal extent where wages are so high and where so much money passes through the hands of the average citizen as in the United States. Even as it is with the aggregate mass of money increasing continuously, there is often local scarcity. Whether this would be remedied or aggravated by having what is styed an elastic bank currency of less amount, is a question. From the narrow standpoint of those who deal in money it might be thought more conducive to profit if the aggregate sum in circulation were smaller and more active, but perhaps it is more advantageous to the masses of people, and conduces to greater enterprise and higher wages to have a large stock which cannot be easily diminished. The alleged waste from the loss of interest on an overplus is made up perhaps by the confidence which the sentimental feeling that the supply cannot be cornered gives to all the people.

The weak point in the money system of the United States is no doubt the silver dollars and their representatives the silver certificates. But looking on these as ultimately protected by the gold reserve reduces the possible danger from this source to a minimum.

Whether there is any real waste or not in the maintenance of the present money supply consisting of gold, silver and paper, which can be remedied by substituting a more congruous system, is a question. So long as the money is up to one standard so that every dollar is kept equal to the gold dollar, it is very possible that the supply, redundant as it may seem to those accustomed to the currency and business

methods of other countries, is not so here, and that the alleged waste of force is more apparent than real. Even in the case of the silver dollars, now that they are coined, however faulty the policy of their origin, it may be maintained with justice that they now serve a very useful purpose. Of course it may be urged that the silver certificates, protected by the gold reserve as are the legal-tender notes proper, do not need the backing of the silver dollars, and that these latter might be sold and added to the active reserves of the Treasury. But the loss on them would be over fifty per cent. and as they are they afford a strong buffer between the silver certificates and the gold reserve. It would cause great depression in the silver market to attempt to sell them. But the time may arrive when this may be done with advantage.

THE INCREASE in the membership of the American Bankers' Association to over 7,000, as shown by the last report of the secretary, indicates that the bankers of the country are becoming more and more aware of the usefulness of such an institution, and that the day is coming when its membership will embrace practically all the banking and financial institutions in the United States.

For a number of years after its organization the growth of the association was slow because those who controlled its policies hesitated to tax the banks to obtain the revenue which was absolutely neccessary to carry out some of the important purposes for which it was organized, as indicated in its constitution. The association at first and for many years did not apparently seek to do more than to encourage the discussion of banking and financial questions at its annual conventions, and to bring about a closer personal acquaintance among its members. Some efforts were made to prevent legislation manifestly adverse to banking interests and to secure legislation which would be favorable. It cannot, however, be said that with its limited membership the resolutions at its conventions and the action taken by its committees represented the banking opinion of the country in any great degree, and no important results followed from its action either in regard to currency reform or the silver question.

In fact, the association in its earlier years served as a nucleus around which the banks could gather, to hear anything that any one sufficiently interested in financial subjects had to say. It was availed of by bankers and public officers who had ideas which they wished to exploit, and very often by men who could not secure a hearing in any other quarter. In looking over the records of the association contained in the printed proceedings of its conventions, it will be found that the addresses and papers which were read and delivered at these

meetings express almost every shade of opinion and advocate almost every financial plan that appeared during the great monetary controversies of the last twenty-five years of the last century. There are many very valuable expositions of financial principles and statistics, by men high in banking and official circles, both at home and abroad, and there are also many effusions evidently the work of idealists. Many of the discussions among the delegates during these earlier years so bristle with crude personal opinion that they show conclusively the lack among bankers at that time of the ameliorating influence which the association was calculated to bring about. Before there was any way provided for interchange of views the banker was thrown back on his own resources when he sought to reach conclusions on general financial topics outside of his immediate daily business. Unlike the lawyer and the physician, whose training was necessarily wider, the banker seldom came in contact with those who could or would discuss financial questions with him, and the tendency of his business was to narrow his views and render him fixed in his opinions. The lawyer in his business had to encounter an opposition which forced him to examine the other side of every question. The banker within his immediate sphere could generally enforce his views, and was not likely to have any serious opposition to his decisions.

At the conventions of the association it was evident that many of the delegates formed their opinions on such questions as the currency, or the gold and silver standard, in accordance with what they esteemed the interests of their locality. It is amusing to see the same men year after year holding strenuously to the views they at first expressed, apparently incapable of being affected by new light.

That the conventions have had a great influence in removing prejudice in opening the minds of bankers to wider views cannot but be visible to any one who has observed the papers and discussions at the later conventions and compared them with those of the earlier.

The slow growth of the association was due in a measure to the same spirit of narrowness which has been adverted to. The ordinary banker was self-centred and perfectly content with himself and his lot. He was more or less of a potentate in his own circle, and there seemed perhaps some sacrifice of dignity or danger of it, if he placed himself in contact with those of his kind. It might be something of a shock to find at these conventions some hundreds of potentates, apparently as great as he and some the rulers over even greater kingdoms. As one banker eminent in his own banking locality expressed it, "The first time I attended a convention of the American Bankers' Association, I felt insignificant for the first time in my life."

The earlier conventions were guided and influenced by prominent bankers from the financial centres, and this was undoubtedly fortu-

nate, for through their management and influence visionary and one-sided expressions of opinion were kept down to a minimum. It is noticeable that at later conventions the officials and managers are more and more chosen from the rank and file. The complaints made against the executive council, that it was arbitrary in its action and continued the same men or the same class of men in control, were undoubtedly to some extent well founded, but there was more or less necessity for such control growing out of the danger that the association might become a mouthpiece for crude and undigested financial opinion. The spirit of opposition to the tight rein held over what appeared to be the opinions of the delegates grew to such an extent that it became almost impossible to increase the membership. The conventions were said to be mere occasions for junketing and for the self-glorification of certain banking lights. Why should the average banker pay fees to magnify these men? What did the average bank get in return for its annual dues of ten or even five dollars? Delegates did not want to attend and come away realizing their own insignificance, having their opinions treated with no consideration.

At this stage the organization of State bankers' associations began. These afforded a field in which the modest and sensitive banker could gradually accustom himself to publicity. He met at first those whose distinction was not so great as to throw his own personality into the shade. These State associations were good training schools in the art of associating with his equals, and wore off the shyness fostered upon the lonely eminence of local dignity. For a time the State associations brought the American Bankers' Association to a low ebb. But the merits and possibilities of the latter were such that it soon revived. All that was necessary was to find an answer to the question, what does the association do for us in return for the dues we pay, to find an answer which would appeal even to those practical souls who saw no advantage in social functions, in monetary discussions, or even in opportunities for business acquaintance. The protective feature provided for in the constitution was developed. The most unimaginative banker could see a relation between this and the five or ten dollars of annual dues he might be called upon to pay. It is doubtful whether the average banker becomes very enthusiastic over the education of bank clerks, or the uniformity of laws, or the direction of currency legislation, any more than he once did over the junketing and oratorical and literary work of the association, but as year after year the reports made indicated that protection did protect and that every bank was equally benefited, the membership of the association has continually increased.

The prestige of the association has now reached such a point that there is really no limit to the power of usefulness to which it may come. In fact, however, the chief usefulness of the association must

always be, not in those functions which seem to return a money value for the dues paid, but in those more indefinite ones which tend to removing any grounds for the charge that banking, from the nature of the business, and especially banking under a system of independent banks of small capital, such as we have in the United States, tends to narrowness of view. The social meetings, the free discussions, the new relations gained in business, are a great remedy for this.

THE BANKING LAW OF OHIO has been the subject of consideration by the Ohio Bankers' Association for some time. At the recent convention of the association no definite action appears to have been taken in respect to a more rigid State system of supervision of banks under State laws.

Although there is no doubt that the banks themselves suffer as much as any other class of creditors from the occasional mismanagement and dishonesty of other banks, and the demand for the amendment mentioned seemed to come from them, yet when a bill providing for bank examinations was under discussion in the Legislature there was a strong lobby, presumably working in the interest of some of the banks of the State, which opposed and probably defeated the measure.

The banks of Ohio, organized under the general laws of the State, are conducted in the great majority of cases with the utmost skill and conservatism, and have the confidence of the communities in which they are located. The banking laws of Ohio enable any one who desires to go into the banking business to do so, and new banks are started as a rule by men whose character and known capital enable them to build up a business wherever banking facilities are needed. That the ease with which a bank may be started is occasionally taken advantage of by unfit persons cannot be denied, and that a few of the banks started under good auspices afterwards come to grief is also true. The great majority of the State and private banks of Ohio grow up naturally in answer to business demands, and contribute by their prosperous management to the general prosperity of the locality they do business in. All of these banks recognize the advantage there would be in preventing the comparatively small number of failures which occur. Theoretically, they would approve of the introduction of a system of State examinations, if such examinations could be applied only to the banks needing them. They seem, however, to shrink from the application of this remedy universally to the banks that do not need it as well as to those that do. There is a certain sentiment in favor of being able to conduct one's business in perfect freedom from outside interference, which gives the State banks of Ohio, who do not have to submit to the visitation of an examiner, a sense of superiority over banks subject to such examination.

AN INTERNATIONAL CLEARING-HOUSE.

The Treasurer of the United States in his address before the convention of the American Bankers' Association advanced some suggestions in regard to an international clearing-house where balances between nations could be settled in a manner analogous to that which has proved so effective in the settlement of bank balances at the money centres of the country.

There is of course nothing new in this idea. The spectacle of gold being lugged back and forth across the ocean continually is abhorrent to the economic philosopher. There seems to be no reason why the gold should not be permitted to remain in one place and the exchanges effected by paper representatives just as the gold certificates do the work as representatives of gold deposited by the clearing-house banks.

It is, however, characteristic of all attempts at international agreement, whether effected by public or private agencies, that each nation desires to be placed on a basis of equality with the others to a sufficient extent to satisfy the national honor. It would probably be impossible to secure an agreement to place the gold with any one nation. There are too many possible contingencies. If depositories were created in each of the principal commercial nations, the certificates issued by one might vary in value from those issued by another according to the political conditions which might arise. If rumors arose threatening war to any of the nations where a depository was placed, there might be some fluctuation in the value of certificates emanating from that depository. Nevertheless, objections of this kind could doubtless be overcome by placing a depository on some ground declared neutral and protected by common consent. Greater obstacle to the practical realization of an international clearing-house consists in the profits which are at present made by those bankers and others who conduct the finances of international commerce.

To the general public who carry on the exchange of products and manufactures between one part of the earth and another, it would undoubtedly be in the end a great benefit, if the waste of the continual necessity of balancing foreign exchanges could be saved. But what is one man's loss is another's gain, and these same foreign exchanges, together with the transportation of gold coin and bullion necessary to balance them, afford the means of keeping busy and giving a living to a very large number of persons. With every improvement in material machinery it is well known that numbers of people are thrown out of employment, and while after a time the benefits of the new machinery compensate for the immediate disadvantages of its introduction, yet the introduction of new machinery is often a very difficult operation.

The opposition to the introduction of simpler methods of international financial settlements would be undoubtedly very great, because such introduction would have to be made by agreement between the very parties who are now deriving great profits from the methods now used. Mr. Roberts was applauded by the audience who heard his suggestion of an international clearing-house, but it is doubtful if the majority of those who applauded

what came to them as an academic proposition would have supported a proposal of this kind which had any chance of being put in practical operation. If the inception of an international clearing-house had seemed imminent the same ones who recognize the common sense of such an institution would each as practical men at once begin to figure what effect it might have on the individual or corporate business of each. Some of the most influential bankers would perceive how their profits from buying and selling foreign exchange and from exporting and importing gold coin and bullion might be seriously affected. At least the establishment of an international clearing-house would, with the utmost certainty, alter all the methods of business of the great international bankers, and in the course of changing from old to new conditions no one could foresee what opportunities would be given to new competitors.

The conservatism of bankers is very strong and in many ways it is the highest praise to say that a banker is distinguished for conservatism. Nevertheless, it is this conservative spirit that causes acknowledged improvements in financial machinery to be adopted very slowly if at all. It is conspicuously one of the greatest obstacles to any radical currency reform. This last has been discussed for years from every conceivable standpoint and the disagreement among bankers as to its form and even as to its desirability is apparently as great as ever. Much less, then, can any hopeful view be taken as to any realization of so comparatively unstudied and undebated a proposition as that for an international clearing-house. It will probably continue to be a glittering ideal, which may afford a subject for speculative addresses, but with very remote possibility of realization. But as the gold standard itself was some thirty years ago as much of an ideal as this later proposition, and as the gold standard has been realized in the face of even stronger conservatism, the commercial world need not absolutely despair that some time this useless and wasteful transportation of gold from one country and mint to another will be obviated.

Another point from which to view this matter is suggested by the recent fears expressed in some quarters, that the rapidly increasing production of gold may cheapen the metal to such an extent as to seriously affect the value of all investments. It was this fear caused by a similar increase in silver production, that led to the elimination of silver as a standard precious metal, and was the growing force that finally insured the adoption of the single gold standard. If the increase in gold production shall now continue in the same proportion that it has increased during the last decade, the fears of a fall in the value of the metal which have just manifested themselves will continually augment. As there is apparently no other metal basis to fall back upon, the adoption of some method to preserve a reasonable stability to the standard of value becomes of great importance. As a part of such a method the international storage of gold which might be brought about by a clearing-house establishment for the benefit of international trade, would be an important aid. As it was the influence of the invested wealth of the world that brought about the gold standard so it must be the same influence acting under the same instinct of self-preservation that will, if anything can do so, bring about international control of the gold basis, through clearing-house depository methods.

THE PROPOSITION TO REFUND FRENCH RENTES.

A proposition has been made in France to place the French national debt on the basis of a lottery loan. The object is to reduce the regular interest rate and to compensate the holders of the principal by periodical drawings for considerable cash prizes. Taking the present annual interest paid by France on its debt as the basis, it is attempted to be shown that it could be made by means of this lottery loan scheme to pay the interest and prizes on the present debt, and leave a surplus sufficient to pay interest on a new fund or debt to be created for the purpose of creating a workman's pension fund and endowing certain schools. Reduced to its simplest terms, the idea is by diminishing the regular rate of interest to make the present annual interest charge on the revenues support a larger capitalization. The lower rate is to be made endurable, and perhaps attractive, by the chance of winning a fortune in prizes.

The history of lottery loans has shown that in the face of the clearest mathematical demonstration of their disadvantages to the mass of investors, they will often attract the public more than regular investments at higher rates of interest, the credit being the same in each case. They have been successfully resorted to by borrowers whose credit might not have succeeded in placing regular loans. In France they are well known, Paris and other municipal governments having employed this financial device. They have also been used in other European countries.

The usual lottery loan, from the standpoint of the borrowers or promoters, means the payment of a regular rate of, say, six per cent. Of this perhaps two-thirds, or four per cent., is to be paid regulary on the securities. The other two per cent. is reserved as a fund from which prizes are paid at regular drawings, held at intervals. Certain of the bonds are drawn for redemption. Those thus drawn are eligible to win the prizes offered for that redemption drawing, and a supplementary drawing determines the lucky bond or bonds when there are more prizes than one. The prizes increase with subsequent redemption drawings, so that the holders of the bonds which are last redeemed stand to win the largest prizes. Something of this idea is the foundation of the rule laid down in the loan laws of the United States, inducing early subscription to loans by providing that the earliest numbered bonds shall be redeemed last. There is no prize in this case except the additional value there may be in the longer investments. But in the case of the French national debt there is no time when the principal becomes due and payable. It is what is called a perpetuity. The French Government may at some time have surplus revenues with which to reduce its debt, but it would have to purchase the rentes in the open market the same as any other investor. Except by arbitrary action it could not call rentes for payments, as does the United States Treasury the bonds of the United States, which by law have fixed times of maturity.

The lottery loan proposed as a substitute for the present rentes does not

contemplate the reduction of the principal, as we would call it, of the debt; in fact, it proposes to increase that principal. Through the lottery device the Socialist leader hopes to increase the efficiency of the annual sum now paid in interest, so that it will sustain the market price not only of the present rentes but of new funds to be created and devoted to the benefit of the working classes.

The whole plan is very plausible, and no doubt practicable, owing to the weakness of human nature which leads it to view with favor schemes in which chance distributes adequate prizes with apparent impartiality. A lottery appears in theory to be a very democratic affair. Every ticket-holder seems to be on an equality with every other, and the winner of the prize seems to acquire title to it by unanimous consent. But the general sense of mankind has arrived at the conclusion that lotteries are far from beneficial institutions and that in fact the encouragement of them in any form is demoralizing to the public. Time was when the lottery was regarded as a legitimate device to be used by the State to raise money. In all the countries of Europe there were State lotteries with regular drawings from which revenues were derived. These State lotteries were conducted with every precaution against fraud, and were in fact as fair to the public as any such thing can possibly be. But so high an authority as Procter in his work on luck and chance has asserted that there never was a perfectly fair lottery, in that the investor never has the full chance he pays for. A perfectly fair lottery is only possible where nothing is deducted from the amounts contributed by the participants, for expenses, even much less for profits of the lottery promoters. When two men put up a dollar apiece and draw who shall have both, the winner gets both without deduction. The aggregate wealth of the two is the same as ever. But if every time these two men repeat this process they have to pay some one to throw the dice for them, or rent for the table they use, in a short time the two dollars are all expended. The same rule applies with greater and greater force as the scope of a lottery is extended. Expenses increase, the percentage of profit taken from the fund contributed by the ticket-holders must be added. Without this percentage of profit to be taken from the contributions of the public, no State or company or individual would promote a lottery. The ticket-buyer or contributor in his innocence has only the illusive hope of winning a grand return for a small investment. He has seldom any real idea of the infinitesimal chance he has of winning even in a lottery conducted as fairly as a lottery can be. Even if he is of a mathematical turn his reasoning does not follow that line. It is probably something like this: "The price of a ticket is small. I shall not likely win, but if I lose I shall not miss it. I might waste it in some other way where there would be no chance of return. Here in this lottery there is a barely possible chance of winning. Then, how grand it would be if I should win the great prize;" and he enjoys building air-castles until the drawing removes all hope. The effect of this continual castle-building on an infinitesimal chance, upon the mass of the lottery devotees is to paralyze legitimate effort, and unfit for future enterprise.

When the State lotteries in which there is no fraud give place to private lotteries, the temptation to fraud becomes so pressing that the public is generally fleeced with no return whatever. Supposing the Louisiana Lottery, which for twenty years and more carried on its schemes in this country, had

been conducted with perfect honesty. Assuming that every ticket in every drawing was actually sold to holders outside of the promoters and their following, and that every ticket was in the drawing, what were the chances? This company had many schemes—monthly drawings, quarterly and annual drawings. A favorite monthly scheme was as follows: One hundred thousand tickets at two dollars; if these were all sold the promoters would receive a fund of two hundred thousand dollars. The prizes offered amounted to one hundred and twelve thousand dollars, distributed in first, second and auxiliary prizes. What kind of a game was this for a sane person to play against? Supposing a Crœsus fond of gambling should inspect this proposition and seek to insure his winning, he would probably reason thus: "If I buy up the one hundred thousand tickets, I put in two hundred thousand dollars. How much do I take out? I stand to lose eighty-eight thousand dollars." Who would go into such a scheme with their eyes open?. But the fatal gambling fallacy which seems to control men in masses did induce tens of thousands of people to buy tickets in this scheme. If one ticket was bought the purchaser was bound to lose eighty-eight cents out of his two dollars as his share, just as Crœsus would have lost eighty-eight thousand if he had bought the whole outfit of the scheme.

The whole record of the Louisiana Lottery has never been revealed and perhaps never will be, but it would probably astonish people to know how small a per cent. of the receipts was paid in prizes. Perhaps hardly more than a corporation of equal importance in other lines of business would pay for advertising. Like cases of hydrophobia, which every one has heard of, but seldom actually seen, so were the prize-winners in the Louisiana Lottery. To a less degree State lotteries were open to the same mathematical and moral objections.

It is in consequence of the necessity of protecting the people from their own recognized weakness that in most countries lotteries have been abolished by law. The lottery loan is merely a more insidious form of the crude lottery. Like the latter it takes money from the many to give to the few, and like them it sometimes sets aside a portion of the money contributed for third parties not direct contributors.

The proposition to change the French debt into a huge lottery loan seems to be of the latter kind. It is not like the municipal lottery loans or the lottery loans promoted to complete public works, like the jetties at the mouth of the Danube. In these cases the money for the payment of interest, prizes and principal, was derived either from municipal taxation or from the earnings of the public works constructed. Not any of the income was diverted for the purpose of creating new funds to be used for another end. The proposition for dividing the interest now paid to the holders of French rentes and using a portion to create a fund for other purposes, is in fact a skillfully-devised robbery of the rich to give to the poor. The present holders of rentes are to be deprived of a portion of their interest, and in compensation are to receive—what? a chance to win a prize in a lottery. That it might be possible to carry out such a scheme with the apparent consent of the holders of the present French rentes, cannot be absolutely denied. National refunding operations on a large scale have within the last quarter century been accompanied with a degree of force that almost forbids resistance. The refunding of the five and six per cent. bonds into three and one-half per cents perhaps violated

no part of the contract with the original bondholders. The Secretary of the Treasury said, either take the lower rate or have your bonds paid in cash. He could not have paid them all in cash, but the bondholders were divided. Of course they would have preferred to have held the bonds at the old rates of five and six per cent. No one of them could refuse to accept the Secretary's offer without danger of loss, because there could be no concert of action among them. If all the bonds had been held by a Rothschild he might justly have refused to consent to the reduction of interest and might have said: "You promised to pay the principal of these bonds at this date. It seems you can only pay a small part of them. All right; I will take the cash as far as you have it, but on those you cannot pay I will continue to expect the interest nominated in the bond until you can pay them." What would have been fair for the holder of all the bonds was fair for the holders of parts of them. Yet the Government certainly took advantage of the weakness of divided holdings, and the principle of this advantage is the same as the advantage taken by the lottery promoter of the individual weakness of the purchasers of lottery tickets.

Mr. Goschen followed in the footsteps of Secretary Windom when he refunded the British consols, carrying the scheme one step further, as he had to borrow from the banks the cash necessary to have to give force to the threat of redemption.

The general public are always much more numerous than the bondholders and they view with great equanimity the efforts of a government to reduce the interest on the public debt. To scale down the incomes of the holders of government obligations has to all except those who suffer thereby an aroma of patriotism. Nevertheless it is believed that the proposition to take from the interest of the French rentes a portion to capitalize a fund for benefits of a socialistic nature, although skillfully disguised by the lottery proposition, will not be easily realized in practice. Secretary Windom and Mr. Goschen each made great reputation as high financiers for their ingenious putting in practice of what was but a disguised scaling down of public debt. Some have even denied Mr. Windom the credit of originality in the matter. It was said at the time that the plan was suggested to him by some gentleman from Kentucky, who, whether he ever had any connection with lotteries or not, certainly may have derived the idea he imparted to Mr. Windom from the operations of these institutions. Such operations with public debts are, however, a serious threat to government credit. The low price of British consols to-day, which seems to be without explanation, may be due indirectly to Mr. Goschen's forcible refunding operations.

A nation may be so wealthy and have such abundant revenues as to overcome these unwise methods, but they have their effect at periods when the sources of revenue are drawn on to the utmost. No holder of securities likes to feel that he is impotent to prevent the scaling down of his interest, and powerless to prevent the transaction from appearing to be with his own assent, whenever a minister of finance desires to show how expert he is in high finance. The fact that a security holder is not only compelled to submit, but also compelled to act as if he liked it, is probably the bitterest pill of all. Such things are often done by private individuals or corporations, but government credit ought to be too sacred a thing to play fast and loose with in this manner.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

STATUTES OF THE SEVERAL STATES AND TERRITORIES RELATING TO TRUST COMPANIES.—*Continued.*

Of the powers usually granted to trust companies by the State laws, some may properly be looked upon as essential or natural to a "trust" or "trustee" company, while others are manifestly auxiliary to its essential powers. In the former group would be included powers to act as trustee for any purpose, as executor, administrator, guardian, agent, etc. Other powers, such as banking, savings banking, safe deposit, fidelity and title insurance, etc., more or less closely allied to the business of the typical trust company, may be classed as auxiliary powers.

That the legislators have taken some such view of the case is evident from a study of the powers granted. Both in the States having general trust company laws and in those which charter trust companies by special act of the Legislature, there is practical unanimity in the granting of the powers included in the first group, while those in the second group, with the exception of safe deposit, are not so generally given.

It is beyond the scope of this article to attempt a discussion of the powers impliedly given to trust companies by the various statutes, or to assemble the decisions of the courts regarding the extent of such powers. But it will be useful to compare, briefly, the powers explicitly given to these companies by the States having general trust company laws.

As already suggested, the greatest unanimity appears in the granting of powers to act as trustee, as executor and administrator, as guardian, as agent, etc.

The power to act as executor and administrator is specifically granted in all of the thirty-two States named, except Kansas and Wyoming. In Kansas it would seem to be impliedly granted by the wide general powers conferred. Wyoming permits the acceptance of "any trust in writing."

The power to act as guardian of minors, persons *non compos mentis*, etc., is specifically granted in all of the thirty-two States named except Wyoming. The guardianship of minors usually, and of other persons always, applies to the estate only. In most States the power named is to act "as guardian of the estates," etc.; in some, it is the indefinite power to "act as guardian." California, Illinois, Louisiana, Massachusetts, Ohio and Tennessee specifically state that the guardianship of minors shall be of the estate only, and not of the person. On the other hand, power to act as guardian of both the estate and the person of minors is specifically given in Arkansas, Indiana, Kansas, Minnesota and Montana. The limitation in the New York statutes, providing that trust companies may act as guardian of the estates of minors, the

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income of which is one hundred dollars per annum or more, is also found in the statutes of Colorado and Georgia.

Fourteen of the States and Territories specifically grant the power to accept and execute trusts for married women with respect to their separate estates.

A power always included is that to act as trustee for various purposes. It is usually stated that the company may act as trustee for individuals, for corporations both public and private, for municipalities and States. The power to act as fiscal agent and as registrar and transfer agent is as a rule specifically given, as are also the powers to act as depository of funds paid into court and of funds under the care of executors, administrators, guardians, etc.; to manage estates; to receive trusts from courts; to hold deposits of trust moneys; to act as receiver or assignee; to act as agent for the investment of money; to make loans on real or personal property; to deal in bonds, stocks and securities.

Regulations Regarding the Holding of Real Estate.

The regulations regarding the holding of real estate by trust companies are usually somewhat more liberal than those which govern the real estate holdings of National banks, but a few States, notably Louisiana and Michigan, make provisions almost identical with those of the National Banking Act. Most of the States grant the power to hold such real estate as is necessary for the transaction of the company's business, and such as it may acquire in settlement or partial settlement of debts due to it. While the intent usually appears to be to limit the holdings much as those of National banks are limited, the language is often such as to permit of a liberal construction. As an example of statutes permitting such liberal construction, that of New Jersey reads as follows: "To lease, hold, purchase and convey any and all real estate necessary for or convenient in the transaction of its business, or which the purposes of the corporation may require, or which it shall acquire in satisfaction or partial satisfaction of debts due the corporation under sales, judgments or mortgages, or in settlement or partial settlement of debts due the corporation by any of its debtors."

There are, however, great differences in the wording of the statutes in the different States and Territories relating to this matter, and it is not possible to form a correct idea of their purport without a separate and detailed account of the statutes in each State. Perhaps the widest powers of this kind are those of trust companies in Idaho and Pennsylvania, which, besides holding real estate that is the subject of title insurance by them, have the right "to purchase and sell real estate and take charge of the same," and in Utah, where they may "buy, sell or mortgage" real estate.

The right to hold real estate in trust for others is of course included in the trust powers given to trust companies.

Auxiliary Powers of Trust Companies.

Of the powers usually looked upon as auxiliary to the main business of trust companies, that of conducting a safe-deposit business is the one which the States are most nearly unanimous in granting. Specific power to conduct this business is granted to trust companies in no less than twenty-six of the thirty-two States named—which is a greater number than specifically grant any other one class of powers except those of trustee, of executor and admin-

istrator and of guardian. Indeed, this business has come to be looked upon as being quite as essential to trust companies in the larger cities as any other function.

The fidelity insurance business is specifically permitted to trust companies in eighteen of the States and Territories, while in a number of others trust companies are given more or less limited powers in the way of guaranteeing bonds and acting as surety for particular purposes. West Virginia specifically prohibits trust companies from acting as surety on bonds or guarantor for individuals, firms or corporations.

Sixteen States grant the specific power to trust companies to conduct a title insurance business. In Pennsylvania trust companies are organized under the title insurance company law, which grants most of the trust powers.

BANKING POWERS OF TRUST COMPANIES.

In view of the great extent to which trust companies engage in the business of both savings and commercial banking, the statutory provisions regarding the transaction of such business are of special interest. But even a cursory examination of the statutes reveals the fact that the power to conduct such business usually depends more upon the implied powers and upon the interpretation of the statutes than upon powers specifically granted. One is met at the outset by the question as to what constitutes banking powers as distinguished from trust powers in the handling of funds. There is evidence that the legislators themselves were in most cases not clear as to the extent to which they were permitting the banking business. In several States, as for example Colorado and Pennsylvania, trust companies are forbidden to engage in banking "except as herein authorized;" while they seem to be authorized to undertake several important banking functions. In Colorado specific powers are granted to receive demand deposits and to "purchase" bills of exchange, etc., and to loan on real or personal security. The same powers are held by trust companies in Pennsylvania. The power to purchase commercial paper differs only in form from the power to discount it, and not much ingenuity is required to do an actual discount business under these statutes, and such discounting in the form of purchase is widely carried on in Pennsylvania.

So far, then, as the receiving of both demand and time deposits, the discounting of commercial paper and the making of loans on real and personal security constitute a banking business, trust companies in these States may do a banking business in spite of the apparent intention to forbid such business.

Another interesting case is that of New Jersey. In this State trust companies are forbidden "to discount commercial paper;" but they have specific authority "to purchase, invest in and sell * * * promissory notes, bills of exchange. * * *" They also have specific authority to receive deposits subject to check.

About twenty of the States and Territories appear to grant the specific power to purchase or discount commercial paper, while about the same number grant the specific power to receive both time and demand deposits. Unquestioned power to do a banking business is given in Arkansas, Georgia, Louisiana, New York, Tennessee, Utah and West Virginia. In Kentucky, while trust companies organized simply as such may not do banking, com-

panies may be organized to do both kinds of business. An analogous case is that of Illinois, where banks may be given trust powers. In several other States, the statutes readily permit the interpretation of granting banking powers.

The fact is that it is a very difficult task to draw a hard and fast line between banking business and business in the handling of money that is purely and simply a trust business. Indeed, banking is itself, in a sense, a trust business. If extreme instances be taken, it is of course a simple matter to say that this is a trust business, and that is a banking business. But just where to draw the line between the two classes of functions is quite a different matter. When, therefore, the legislator sets before himself the task of forbidding trust companies to do a banking business, he must solve not only the problem of how to provide for the enforcement of the statutes he may devise, but also the more intricate problem of clearly distinguishing between that which he means to authorize and that which he means to forbid. On the whole, considering the difficulty of the problem, and the industrial conditions under which trust companies have developed, it is not surprising that trust companies in most States do a banking business in spite of the lack of specific authority to do so.

A noticeable thing about the powers usually granted to trust companies is the evident intention to place them on an absolute par with natural persons in their power to accept and execute trusts of every description. In a considerable number of the States the statutes carefully provide that such corporations may accept and execute any trusts not inconsistent with the laws of the State and of the United States, "to the same extent and in the same manner as natural persons."

Regarding the powers of trust companies in those States where their charters are granted only by special act of the Legislature, it is not possible to speak in general terms without an examination of each and every such charter, further than to say that as a general rule the powers so given are quite as wide and as varied as those given by general laws.

In the few States in which no trust company laws exist, and where special charters are not granted, considerable ingenuity has been necessary to carry on the trust business under the general corporation laws. Americans are not lacking in ingenuity, and the way has usually been found when needed. Thus, where the corporation had not the power to act as trustee, administrator, etc., individual directors or officers have taken such appointments, the companies have furnished the necessary security, and the business in its details has been performed by the company. In the State of Washington, before the passage (in 1903) of the Trust Company Law, some of the courts held, contrary to the usual legal ruling, that trust companies, being created artificial "persons," were therefore endowed with the powers of natural "persons." The well-established principle of the common law is that corporations possess only such powers as are specifically granted in their charters.

Statutory Provisions for the Regulation of Trust Companies.

Statutes intended to throw safeguards about the prosecution of the business of trust companies are found in a majority of the States and Territories having general trust company laws, and also among a number of the States in which such corporations are chartered by special acts of the Legislatures.

The methods commonly relied upon in such statutory attempts at regulation and supervision include provisions for a capital adequate to support the probable credit operations of the company and to provide security for its creditors; the accumulation of a surplus fund, to supplement the good accomplished by the provision for adequate capital; the double liability of stockholders; deposit with State authorities by the trust company of moneys or securities to be held in trust for the security of creditors of the trust department; restrictions on loans, on investments, on general liabilities and on the manner of conducting the trust business; a sufficient reserve fund; supervision by State officials, through reports of condition, and through examinations.

Few States attempt all these methods of regulation, and the lack of uniformity in the State laws in this particular is noticeable and regrettable.

The suggestion has been made that Federal control of trust companies would be of advantage, especially to the end of securing uniformity in the laws governing such corporations. Comptroller of the Currency Ridgely, while admitting the desirability of such a step, sees no probability of its early practicability, and others have expressed themselves in a similar way. It seems quite possible, however, that the same end might be obtained by concerted action on the part of trust company officials and their associations, much as the Negotiable Instruments Law has now been adopted by nearly all of the States through the efforts of the bar associations. The movement would be a worthy one for sponsorship by the Trust Company Section of the American Bankers' Association.

The provisions of the various States and Territories regarding the minimum capital with which trust companies may be organized have already been discussed, under the organization of trust companies. It need only be added now that for the most part the provisions in this matter are all that could be expected. In most cases, the minimum capital required could hardly be raised without practically prohibiting the organization of trust companies. It is generally recognized that trust companies ought to have a larger capitalization than banks, and the amount required usually compares very favorably with that required for both State and National banks in the same communities; the minimum capital being as a rule from two to ten times as large as that required of State banks. In not over half a dozen States is the capital of trust companies as low as that of State banks.

The accumulation of a surplus fund is a proceeding that trust companies in most communities adopt as a matter of course, being impelled thereto by the manifest advantages of such a step as a measure of safety and as a means of gaining business in competition with other companies having large surplus funds. Perhaps it is on this account that the legislators have not generally considered it necessary to place in the statutes a requirement for the accumulation of such a fund, although it may also be explained by the other provisions for safety adopted, which may have been thought ample in many cases. At any rate, only a minority of the States and Territories require the accumulation of a surplus fund by trust companies. Louisiana, Michigan, New Mexico, New York, New Jersey and West Virginia require that before a dividend is declared one-tenth of the net earnings shall be carried to a surplus fund until such fund amounts to twenty per cent. of the capital. Kansas requires that the same percentage of earnings be carried to surplus fund until

the latter equals one-half of the capital. Missouri requires that one-tenth of the net earnings be carried to a "guaranty" fund, until the fund equals the capital. Only a few other States have provisions of this kind.

In some States, the double liability of stockholders, *i. e.*, the provision that stockholders shall be liable for the debts of the corporation to an amount equal to the par value of their stock, in addition to full payment for such stock—applies to all corporations, trust companies among them. This was the case in Ohio, until in 1903, by vote of the people, an amendment to the constitution removing such double liability was carried. Just how this affects companies already existing is a question for the courts to decide. At present the laws apply the double liability of stockholders to trust companies in the District of Columbia, Georgia, Illinois (if doing banking business), Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota (constitutional requirement), New York, Rhode Island, South Carolina (if doing banking), Utah, Vermont, West Virginia and Wyoming.

Sixteen of the States require trust companies to deposit cash or securities of a specified character with State officials, to be held in trust as security for the company's creditors. As a rule these deposits are for the special protection of creditors of the trust department, and in such cases the deposit is ordinarily not required unless the company undertakes such trusts as those of executor, administrator, guardian, etc. A few of the States, however, make this deposit a protection to all of the company's creditors, and require such deposit before the company is authorized to do business. The income from such deposits goes to the company so long as it is solvent. In several States the deposit is stated to be in lieu of giving special bond or security in the case of each trust, and need not be made if the company elects to give such special bonds instead. The amount of the deposit is $50,000 in North Dakota and Texas; $100,000 in California; $200,000 in Missouri and Oklahoma. In Illinois it is $200,000 in cities of 100,000 or more inhabitants, and $50,000 in smaller cities. In Michigan, it is fifty per cent. of the capital, but not more than $200,000 in amount; in Wisconsin, fifty per cent. of the capital, but not more than $100,000 in amount. The District of Columbia requires a deposit to the amount of one-fourth of the capital. Minnesota requires the deposit to be at least $50,000, and not less than one-fourth of the capital. In New Jersey the securities so deposited must equal in value at least one-fifth of the liabilities incurred as assignee, receiver, administrator, guardian or trustee, unless the deposit amounts to at least $100,000, in which case it need be only one-tenth of such liabilities. The amount of the deposit in New Mexico is from $50,000 to $200,000. In New York, it must amount to ten per cent. of the paid-up capital, but not less than $100,000 in amount in cities whose population exceeds one hundred thousand, $50,000 in cities of from one hundred thousand to five hundred thousand, $30,000 in cities of from twenty-five to one hundred thousand, and $20,000 in smaller places. Maryland requires fifteen per cent. of the capital, and not less than $30,000 in amount; Virginia, five per cent. of the capital, and not less than $12,500 nor more than $25,000 in amount. In Ohio, the amount is $100,000 in cities whose population is thirty-three thousand or more, and $25,000 in smaller cities and towns.

Restrictions in Relation to Loans.

The majority of the States having any kind of trust company legislation place restrictions on trust companies regarding their loans, their investments or their total liabilities. Such restrictions vary greatly in the different States, being quite ample in some, and very meagre in others. The most common provisions are those forbidding trust companies to make loans on their own stock as security, and to make loans to their directors, officers or employees. Where the classes of investments for capital and trust funds are specified, the investments permitted are usually in municipal bonds, railroad bonds and mortgages secured by ample margin on real estate. The provision that neither the deposits nor the loans may be allowed to exceed ten times the amount of the paid-up capital and surplus is found in the statutes of California, Illinois and Maryland; but in the last-named State it does not apply to funds deposited by order of the courts. Colorado forbids trust companies to invest in the stocks or bonds of private incorporated companies. Among other provisions sometimes found are those limiting the amount of loans to one person, firm or corporation, the limit often being ten per cent. of the capital and surplus, except that on loans secured by collateral it may be twenty per cent.

Many of the States provide that trust funds and accounts must be kept separate from all other funds and accounts of the company.

Trust Company Reserves.

The much-discussed question of trust company reserves is of special interest. The fact that trust companies compete to so great an extent with banks has resulted in a growing demand from the banks especially, and from the general public to some extent, that trust companies be placed under the same regulations as banks, and particularly in the requirement of a reserve fund. The battle over this point has been waged with special fierceness in New York, where there is no provision for reserves of trust companies. That there is need for such agitation is shown by the fact that only about a third of the States and Territories require trust companies to keep reserves. This does not mean, of course, that trust companies in the other States do not actually keep reserve funds, for the unwritten laws of business and of competition are quite as insistent upon obedience as are the laws of the statute books. The best-managed companies everywhere keep as large reserves as their business demands; and it is for the poorly-managed concerns that the statutory provisions are necessary, just as criminal laws are needed, not for the law-abiding people, but for the lawless. If the wisdom of State regulation in any particulars is conceded, the necessity of a requirement for an adequate reserve fund certainly must be.

An examination of the statutes shows that where the question has been taken up and acted upon by the State legislators, the opinion has quite generally prevailed that the reserve required to be kept by trust companies ought to be about the same as that required of State banks. The table on the following page gives a comparative statement of the reserves required of the two classes of institutions in some of the States. (Except where otherwise stated the percentages refer to the ratio of reserve to total deposits.)

In some of the States named in this table the requirement for reserve applies to trust companies only when they do a banking business.

STATE.	*Reserve of State banks.*	*Reserve of trust companies.*
Connecticut....	15 per cent..........	15 per cent.
Georgia.........	25 per cent..........	25 per cent.
Kansas..........	20 per cent. in cities under 5,000. 25 per cent. in larger cities.	25 per cent. of demand deposits. 10 per cent. of time deposits.
Louisiana.......	25 per cent. of demand deposits.......	25 per cent. of demand deposits.
Massachusetts ..	No reserve required of Savings banks. There appear to be no State banks.	15 per cent. of deposits payable on demand or within 10 days.
Maine...........	15 per cent. of deposits payable on demand or within 10 days.	15 per cent. of deposits payable on demand or within 10 days.
Michigan........	15 per cent. in cities under 100,000. 20 per cent. in larger cities.	20 per cent. of matured obligations.
Missouri.........	15 per cent. of demand deposits......	15 per cent. of demand deposits.
New Jersey......	15 per cent. of immediate liabilities...	15 per cent. of demand liabilities.
New Mexico....	25 per cent..........	15 per cent. of liabilities less deposit with Territory.
Ohio.............	20 per cent..........	15 per cent. of deposits payable on demand or within 10 days.
Utah............	15 per cent. of demand deposits in towns or cities under 25,000. 20 per cent. in larger cities. 10 per cent. of Savings deposits.	Same as banks.
West Virginia..	15 per cent. of demand deposits.......	15 per cent. of demand deposits.
Wyoming.......	Savings banks, 10 per cent............	25 per cent.

REPORTS AND EXAMINATIONS.

Whatever restrictions are placed upon these corporations by the statutes, such restrictions must evidently be of little avail in the cases of those companies which are inclined to evade the law, unless means be provided of keeping the State officials acquainted with the way in which their business is being conducted. The natural ways of accomplishing this result are by means of frequent reports and of examinations. The value of reports is of course in direct ratio to the honesty and frankness of the officials of the company making such report, and their usefulness therefore becomes slight when made by dishonest officers. It is a matter of common knowledge that reports may be easily "doctored" so as to make an insolvent institution appear very prosperous, and that the last reports published by defunct companies usually indicate a sound condition. But if the requirement of reports be made in connection with frequent examinations which reveal the truthfulness or untruthfulness of the reports, they serve a useful purpose.

The laws now require trust companies to furnish reports in about forty of the States and Territories. The frequency of such reports varies from one to five times per annum; and in the States having the most carefully prepared laws on the subject, special reports may be called for at any time by the State official to whom the reports are made. In Mississippi and Tennessee the reports are not made to any official, but are merely published in a newspaper. A number of the States designate the character of the information to be given in the reports, and some of them specify in detail and at some length the exact form required for such reports, the form in a few States requiring a complete list of all investments, and a description of the property held in trust. The completeness of these reports is in striking contrast with the meagreness of those which satisfy the requirements of the law in some of the States, where the provisions on the subject are most unsatisfactory. Most of the States which require reports provide that they must be published in a local newspaper.

Trust companies are liable to some sort of an examination by State officials in about thirty of the States; but in over a third of these the examina-

tions need not be made periodically, but only at the discretion of an official who very probably has little time or inclination for the work, so that companies may go for years without examination. In all of the States the courts probably have the right to investigate a trust company's handling of trusts committed to them by such courts to the same extent as though the trusts were committed to individuals. This right is specifically mentioned in a majority of the States. A few States also provide that the books of the company shall be open to inspection by persons interested in any trust held by the company.

Where periodical examinations are required, their frequency is either once or twice per annum, with special examinations at any time at the discretion of the examining official.

The State officials under whose supervision trust companies are placed in the different States vary greatly. Where a State banking department is in existence, the head of that department has supervision of trust companies. In a few States this duty is entrusted to the State Insurance Commissioner. In other States it is exercised by the State Auditor, the State Treasurer, or the Secretary of State. In the District of Columbia the Comptroller of the Currency has supervision of trust companies.

In about a dozen States trust companies are under practically the same regulations regarding reports, examinations, etc., as the State banks.

The principle of State supervision of banks, insurance companies and other financial institutions is pretty thoroughly established in this country, although there are those whose strong objections to "paternalism" in government lead them to look with disfavor upon such supervision. The excellent record of the National banking system certainly affords strong argument for Government supervision of banks. This is perhaps not the place to discuss the general question; but if the principle of supervision is accepted, as in the writer's opinion it ought to be, there is certainly great room for improvement in the laws of most of the States and Territories in the regulation and supervision of trust companies. Less than one-third of them can be said to have satisfactory statutes for the control of such institutions.

On the other hand, it may be said with much truth that great progress has been made, and that, considering the short time that trust companies have been a factor in the financial world, the progress has been quite remarkable. It took many years to develop our banking systems out of the chaotic conditions of the first half of the nineteenth century. Then, too, the attitude of the trust companies themselves promises much for rapid advancement in legislation regarding them. The great majority of the leading companies welcome the placing of greater safeguards about the business. In a number of instances legislation designed to regulate trust companies has come through the agitation of the subject by the trust companies themselves. Many trust companies in States where the laws do not require examinations are in the habit of having their business thoroughly examined by expert accountants.

CLAY HERRICK.

(*To be continued.*)

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

INDORSEMENT OF NOTE BY THIRD PARTY BEFORE DELIVERY—NEGOTIABLE INSTRUMENTS LAW.

Supreme Court of New York, Appellate Division, Second Department.

ROSETTA CORN VS. JULIA LEVY AND WILLIAM HYAMS.

The Negotiable Instruments Law has abrogated the rule which formerly prevailed in New York, that a third party could not be charged as an indorser of a promissory note before delivery unless the complaint alleged that the indorsement was made in order to give the maker credit with the payee, or that the party indorsed the note as surety for the maker.

This was an action upon a promissory note for $2,500 brought against the executors of the first accommodation indorser by the second accommodation indorser, who had been compelled to pay a judgment recovered against her upon the note by the payee.

WILLARD BARTLETT, *J.* (omitting part of the opinion): Upon the original argument I expressed the opinion that the sufficiency of the complaint might be doubted, the only allegation being that the defendants' testator indorsed the note for the accommodation of the maker. It was formerly the rule in this State that in the absence of any further agreement such an indorser would not be liable to the payee of the note. To establish his liability it had to be shown that he had indorsed the note for the purpose of giving the maker credit with the payee (Phelps vs. Vischer, 50 N. Y. 69).

The same rule would formerly have applied to the plaintiff, whose liability would spring entirely from a special agreement on her part (beyond that which the law implied from the mere fact of the indorsement) that such indorsement was for the purpose of giving the maker credit with the payee. The reargument was ordered upon the suggestion of counsel that the doctrine of Phelps vs. Vischer (*supra*) had been abrogated by the enactment of the Negotiable Instruments Law, to the effect of which our attention was not called upon the original argument (chap. 612 of the Laws of 1897, as amended by chap. 396 of the Laws of 1898).

Section 114 of that statute provides that where a person, not otherwise a party to an instrument, places his signature thereon in blank before delivery, he is liable as indorser to the payee and to all subsequent parties, if the instrument is payable to a third person.

Before this provision was enacted a third party could not be charged as an indorser of a promissory note before delivery unless the complaint alleged

that the indorsement was made in order to give the maker credit with the payee or that the party indorsed the note as surety for the maker. The omission of such an allegation was held to be a fatal defect in an action to charge such an indorser. The necessity of an averment to that effect appears no longer to exist, however, in view of the plain language of section 114 of the Negotiable Instruments Law, which seems to require nothing more than the simple fact of the indorsement to render the defendant *prima facie* liable in such a case (McMoran vs. Lange, 25 App. Div. 11).

This change in the law requires us to reverse the conclusion which we reached on the original argument as to this branch of the case, and to hold that the defense is legally insufficient in the second respect set forth in the decision at Special Term, to wit: "In that it does not specify when plaintiff became aware of the alleged diversion attempted to be set forth in said alleged defense."

INJUNCTION AGAINST NATIONAL BANK—FEDERAL STATUTE.

Supreme Court of Idaho, June 11, 1904.

MEYER, *et al.* VS. FIRST NATIONAL BANK OF COEUR D'ALENE, *et al.*

That portion of section 5242, Rev. St. U. S. (3 U. S. Comp. St. 1901, p. 3517), which provides that "no attachment, injunction, or execution shall be issued against such association [National bank] or its property before final judgment in any suit, action or proceeding in any State, county or municipal court," is a complete bar to the issuance of any such writ or order from a State court against a National banking association.

Action by M. M. Meyer and Edward N. La Veine against the First National Bank of Coeur d'Alene and others. Plaintiffs filed their complaint and affidavits praying a temporary injunction. On this showing a temporary injunction was issued without notice to defendants. Upon application of defendants, without a counter showing and without notice to the plaintiffs, the injunction was dissolved, from which order plaintiffs appealed.

AILSHIE, *J.* (omitting part of the opinion): The other assignments made by appellants go to the merits of the case. The respondents, however, have presented a valid and sufficient reason for the dissolution of the injunction as to the defendant bank at least. They rely upon section 5242, Rev. St. U. S. (3 U. S. Comp. St. 1901, p. 3517), which, after making certain provisions against preferences in favor of creditors of National banks, concludes with the following prohibition: "And no attachment, injunction or execution, shall be issued against such association or its property before final judgment in any suit, action or proceeding in any State, county, or municipal court."

This statute is a complete bar to the issuance of an injunction by a State court against a National banking association. This view has been held by the courts so generally and uniformly that it requires no discussion here. (See Pacific National Bank of Boston vs. Mixter, 124 U. S. 721; Freeman Mfg. Co. vs. National Bank, 160 Mass. 398; Dennis vs. First National Bank of Seattle, 127 Cal. 453; Garner vs. Second National Bank of Providence [C. C.] 66 Fed. 369; Chesapeake Bank vs. First National Bank of Baltimore, 40 Md. 269, 17 Am. Rep. 601; Nat. S. Bank vs. Butler, 129 U. S. 223.)

For the foregoing reason alone the injunction was properly dissolved as against the bank.

LEASE OF BANKING HOUSE—SURRENDER OF LEASE.

Supreme Court of the United States, April 4, 1904.

EDWIN F. BROWN AS RECEIVER OF THE PEOPLE'S NATIONAL BANK OF DENVER vs. GEORGE C. SCHLEIER.

The owner of real property leased to a National bank for building purposes is not liable to account to the bank's Receiver for the bank building erected thereon, which the bank, while insolvent and in course of voluntary liquidation, turned over to him in consideration of a release from all further liability under the lease, the bank being at the time in arrears for rent and taxes, and the income from the property not exceeding the charges against it.

This suit was brought by the predecessor of appellant in the Circuit Court of the United States for the District of Colorado to set aside a lease of certain lots in the city of Denver, Colorado, and the subsequent surrender and cancellation of said lease, as *ultra vires* of the power of the National Bank of Denver, and for an accounting, and that the amount found due on the accounting be decreed a prior lien upon the lots and the building erected thereon by the bank. The case was presented upon bill and demurrers. The demurrers were sustained and the bill dismissed (112 Fed. 577). The ruling was affirmed by the circuit court of appeals. (55 C. C. A. 475, 118 Fed. 981.)

Mr. Justice McKenna: The bill prayed for a decree declaring the lease between the bank and Schleier and the instruments surrendering and cancelling the same to be declared void and "*ultra vires* of the acts of Congress of the United States in respect to the powers of National banks to acquire, own, and hold real estate or to be or become indebted in the exercise of corporate powers, and that no title or right, legal or equitable, could be acquired under the same or either thereof by the said defendant Schleier to the said bank building and the appurtenances thereunto belonging." An accounting was also prayed, and that the amount found due be declared a lien upon the building and lots, and they be sold to satisfy the lien.

The circuit court of appeals regarded the bill as charging, not only the initial, but the dominant and determining, wrong to be the lease; that being Schleier's participation in the alleged diversion of the bank's funds, constituting him a trustee for creditors. It was, therefore, natural for the court to observe the theory of the bill was that the lease was void, and that Schleier was liable for the damages which the creditors of the bank sustained in consequence of its execution without lawful authority.

The court discussed that theory, and decided (1) that the power conferred by section 5137 of the Revised Statutes (U. S. Comp. Stat. 1901, p. 3460) upon National banks to purchase real estate needed for their accommodation in the transaction ot their business included the power of leasing property whereon to erect buildings suitable for their wants; (2) assuming the transaction to have been *ultra vires*, the complainant (appellant) was not, by virtue of his office as Receiver, "authorized to challenge or impeach it."

Appellant now says that the conception of the bill by the circuit court of appeals was incorrect, and "not only limits, but completely reverses the theory of the bill, in a manner totally inconsistent with the admitted allegations." And appellant concedes "that only the Government may complain of an executed *ultra vires* conveyance of real estate to a corporation," and rests his case upon "loss of the moneys and assets of the bank—in the form

of the bank building—to which Schleier claims title through the conveyance and surrender on October 30, 1897, under the terms of his lease to the bank."

We may take appellant at his word and omit extended discussion of the first proposition, although he has indulged in much argument which confuses his concessions. For instance, his counsel say: "While denying the sufficiency of the lease to lawfully bind either the bank or its title to its $305,000 capital assets, we say, very well, then, since in the completed building in the actual possession of the bank, it still had an asset, the then depositors, now judgment creditors of this bank, represented by this appellant Receiver, want to know why Schleier, who is not an innocent purchaser for value, without notice, should not be held liable to account for this asset, the building?"

But pronouncing Schleier not an innocent purchaser, denominating the building an asset of the bank, does not change the issues in the case. It is only another way of presenting them. Why should Schleier account for the building? Necessarily, either because of the execution of the lease or its surrender. Of its execution we need not make much comment. The lease certainly was not different from any other interest in real estate acquired *ultra vires*—no more vulnerable to attack, no more a diversion of funds. Whether it would be a gain or loss—an antithesis made much of in argument to distinguish between the lease and an absolute conveyance—was a matter of judgment. It seems now to have been a folly for the bank to have put its whole capital in a building. But maybe that is the confident conclusion which can be formed after experience. The judgment of the bank in making the lease and erecting the building seems not to have been thought by creditors to have been improvident, and the Comptroller of the Currency did not disapprove.

The bill alleges that the Comptroller of the Currency, in the year 1893, deemed an assessment of twenty per cent. sufficient to redeem the bank from embarrassment and establish it as a solvent concern; and its chief creditor, the People's Savings Bank, whose affairs, the bill avers, had become "commingled and mixed" with those of the bank and thereby associated with its fortunes, must have had absolute confidence in the value of the building, even though it represented diverted funds.

If depreciation came afterwards, it was a misfortune. Under the concession of appellant, therefore, the validity of the lease must be assumed as against him, and the inquiry confined to the validity of the surrender; and that depends upon the condition of the bank at the time it was done. In other words, the lease, with its benefits or burdens, and the condition of the bank at the time of its surrender, must be the test of the action of the bank officers and the rights of creditors.

The bank was insolvent, taxes on the property were unpaid, and three months' rent was due. Under the terms of the lease, Schleier could pay the taxes, and for reimbursement and the satisfaction of the rent could sell the lease and all the right, title and interest of the bank therein, or maintain personal actions for such taxes and rent. Schleier, therefore, for what was then due and for his monthly accruing rent, had not only a lien upon the property, but had, as well, the personal obligation of the bank. Against this liability what had the bank? The bill alleges nothing but the lease, and to that no value is assigued. Its revenue did not exceed its obligations. It is true it is alleged that the building had been allowed to get out of order, and

that, notwithstanding its condition, the rents from it would have paid the charges against it.

But the fact establishes nothing definite. What can be inferred from it? Such disproportion between the value received by Schleier and that received by the bank as to shock the conscience, establish fraud, and that the surrender of the lease was an illegal preference? The situation must be kept in mind. The bank was and had been insolvent. It was compelled to go into liquidation; it was in arrears for rent and taxes, and was confronted with ever-recurring liabilities which it might not be able to discharge. Certainly it could not discharge unless it remained a going concern, which was not possible. Under such circumstances the settlement with Schleier does not seem to have been even bad judgment. And it was openly done—advertised in advance to all who were interested to prevent—and the reason for it declared to be that the income of the property was less than the fixed charges; in other words, had no value—represented only liabilities. No one intervened. Creditors did not, and this suit was not brought until December, 1900—three years after the surrender of the lease. The conclusion is irresistible that the judgment of the stockholders in surrendering the lease was honestly and prudently exercised. This is fortified by the prayer of the bill. Appellant does not ask to have the surrender of the lease set aside and the bank restored to its relations and obligations to Schleier. He asks that the bank be relieved from all obligations, and the cost of the building imposed as a charge upon the real estate.

It is unnecessary to discuss the ruling of the circuit court on the motion to file an amended bill. The bill tendered was fuller and more explicit than either the original bill or the amendments thereto, but it alleged nothing which would affect the legal conclusions from the facts to which we have adverted. And we may observe that it is exceedingly disputable whether it is an abuse of discretion to deny a motion to file an amended bill after final judgment has been entered. Decree affirmed.

REPRESENTATIONS OF BANK PRESIDENT—WHEN NOT BINDING UPON BANK.

Supreme Court of Texas, May 12, 1904.

COMMERCIAL NATIONAL BANK OF BEEVILLE vs. FIRST NATIONAL BANK OF CUERO.

The procurement of a signature to a note for another bank, in order that it may lend money to a third person, is not within the powers of a National bank; and where this is done by the officers of such a bank, the bank is not liable, though the note turns out to be a forgery.

Where in such case the President states that the note was properly signed, such statement is not binding upon his bank.

The facts upon which the suit was founded transpired in the making of a loan of $2,000 by the First National Bank of Cuero, Tex., to W. H. Smith. Smith, who resided at Mineral City, in Bee county, wrote to the bank at Cuero, requesting the loan, and offered as surety James F. Ray, who was a wealthy stockman of Bee county, and resided in Pettus, in that county. Ray was Vice President and director of the appellant bank, and an uncle by marriage of Smith. The Cuero bank wrote to the First National Bank of Beeville, in Bee county, its correspondent, stating that Smith had applied for

the loan and offered Ray as surety; that it was unacquainted with them, and asked about their responsibility.

The First National Bank of Beeville replied in due course of mail, saying that the parties were good for the amount of money, that Smith was a merchant in good standing, that Ray was a man of property and an official of the Commercial National Bank, that Smith was a former patron of that bank, and that it was acquainted with their signatures. The Cuero bank then prepared for signature the note sued on in Cuero, and mailed it, with a letter to the Commercial National Bank, saying: "A few days since we had a letter from Wm. H. Smith, of Mineral City, Tex., making application for a loan of $2,000.00, and offering as security James F. Ray, Vice-President of your bank. Will you do us the kindness to hand the enclosed note to Mr. Ray for signature by himself and Mr. Smith? Thanking you in advance," etc. Upon receipt of this letter and the note, the appellant, by its President, John W. Flournoy, mailed the note in a letter to Wm. H. Smith, at Mineral City, requesting him to get Mr. Ray's signature and return to the writer.

A letter was received returning the note as follows: "Pettus, Texas, 11—30—01. The Commercial National Bank of Beeville, Beeville, Texas. Dear Sirs: Enclosed find note as per request. You will please forward to the Cuero Bank and tell them to place to my credit. Respectfully, Wm. H. Smith." The letter was opened by Flournoy in presence of the bookkeeper of the appellant bank, and the signatures to the note were examined and pronounced genuine by both of them. Flournoy at once wrote a letter from Beeville to the appellee at Cuero, in which he enclosed the note and mailed it.

The letter was as follows: "Commercial National Bank of Beeville, Beeville, Texas, 12—2—01. First National Bank of Cuero, Cuero, Texas. Dear Sirs: Enclosed you will find note of Wm. H. Smith, properly signed up. He wants the proceeds of said note placed to his credit. Yours truly, John W. Flournoy, President." The note was received, and the money was advanced by the appellee to Smith. The signature of Ray to the note was found to be a forgery.

Brown, *J.* (omitting part of the opinion): Representations made by an officer or agent of a corporation will not create liability upon the corporation, unless the representation be made by the agent concerning a business which the corporation is empowered by its charter to do, and the agent must at the time be acting within the scope of his authority. (Cooley on Torts, 136.) The facts alleged in the petition show that the plaintiff in error is a corporation created under the National banking laws enacted by the Congress of the United States, hence to that law we must look to determine the kind of business in which a bank may engage. That act provides:

"Upon duly making and filing articles of association and an organization certificate, the association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power: * * *

Seventh: To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be neces sary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; re

ceiving deposits, buying and selling exchange, coin, and bullion, by lending money on personal security, and by obtaining, issuing and circulating notes according to the provisions of this title." Act June 3, 1864, c. 106, § 8, 13 Stat. 101 [U. S. Comp. St. 1901, p. 3456].

"The business of banking" is defined to consist in discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt, receiving deposits, buying and selling exchange, coin, and bullion, lending money on personal security and obtaining, issuing and circulating notes; and to these specified powers, and those necessary to the exercise of the powers expressed, the bank must confine its operations, and acts of officers not embraced in the terms of the law are not binding upon the corporation. (Weckler vs. First Nat. Bank, 42 Md. 581; Merchants' Natl. Bank vs. Armstrong [C. C.] 65 Fed. 934; Cooley on Torts, 136.) The facts alleged against the plaintiff in error do not show a transaction embraced in the provisions of the law above quoted; on the contrary, it was a matter in which the Beeville bank was not interested in fact; it was a mere courtesy between the officers of the two banks, performed gratuitously by Flournoy for the accommodation of the officers of the Cuero bank to aid them in making a loan to Smith. If it were held that procuring the signature to a note in order that the Cuero bank might lend money to a third party was within the power and authority of the bank at Beeville, the President of the Beeville bank was not authorized to transact such business for his bank, and did not bind it by the statements he made. Under the National Banking Law the corporation was authorized to elect a board of directors, to which was committed the management and control of the bank, and the board was empowered to select one of its number as President of the bank, of whom it is said: "It is his duty to preside at the meeting of the board of directors, and he has charge of the litigation of the bank, and other than these he has no power inherent over and beyond another director." (National Bank Act, by Bolles, § 53.) The board could have adopted by-laws conferring larger powers upon the President, but the petition does not allege the existence of such by-laws, nor any fact which would extend the authority of the President so as to embrace the act upon which this action rests.

The statement made by Mr. Flournoy that the note returned was signed up by Mr. Ray was without authority of the Beeville bank, therefore not binding upon it. (United States vs. Bank of Columbus, 21 How. 556; Weckler vs. Natl. Bank, 42 Md. 581; Merchants' Bank vs. Marine Bank, 3 Gill [Md.] 96; Crawford vs. Mercantile Co., 67 Mo. App. 39; H. & T. C. R. R. Co. vs. McKinney, 55 Tex. 176.) United States vs. Bank of Columbus, before cited, involved a state of facts much like this case. The Cashier of the defendant bank gave to one of its directors, Mr. Miner, a statement that he was authorized, on behalf of the bank, to "contract with the Treasury Department of the United States for the transfer of money from the East to the South or West for the Government," and upon the faith of the statement of the Cashier the Secretary of the Treasury contracted with the party named for the transfer of $100,000 from New York to New Orleans. Miner received and cashed the draft, but the Government did not receive the money at New Orleans. Upon suit by the United States against the bank, the Supreme Court of the United States held that the Cashier had no authority to make such representations on behalf of the Columbus bank, and that

it was not liable for the loss sustained in consequence of reliance upon the false statement. Crawford vs. Mercantile Co. is much like this case. A firm of merchants secured from the Cashier of a bank a statement to the effect that the firm was "solvent and would pay for all that they would buy." Upon this statement the firm obtained credit, and, having failed in business, it was sought to hold the bank responsible for the loss. The court held that the Cashier had no authority to give such statement, therefore the bank was not responsible for the damages. The act of Flournoy, who signed the statement as President of the Beeville bank, was a mere personal transaction of his own, and if any liability was created thereby it rested upon him individually, and not upon the bank. We do not, however, wish to be understood as intimating that the facts would give a cause of action against Flournoy; that question is not now before us.

The allegations in the plaintiff's petition presented no cause of action against the Commercial National Bank of Beeville, and the general demurrer should have been sustained. It is therefore ordered that the judgments of the district court and of the Court of Civil Appeals be reversed as to the Commercial National Bank of Beeville only, and this cause be remanded for further trial as to said bank, but the judgments as to Ray and Smith remain in force.

PROMISSORY NOTE—AGREEMENT FOR ATTORNEY'S FEE—ALTERATION.

Supreme Court of South Carolina, April 29, 1904.

WHITE *et al.* vs. HARRIS.

A provision in a promissory note for the payment of an attorney's fee of ten per cent., in case of default in the payment of the note at maturity, does not render the note non-negotiable.

Where the indorsers of a note alter it after delivery by striking out a clause providing for the payment of attorney's fees for collection, it is a material alteration relieving the maker of liability.

Where a stranger to a note strikes out a clause therein providing for payment of attorney's fees, it is a spoliation, and does not relieve the maker of liability.

Where the evidence is conflicting as to whether striking out the clause in a note was an alteration or a spoliation, the question is for the jury.

The defendants made their joint and several notes to Camp & Cross on May 22, 1901, in these words:

"$125.00. Union, South Carolina, May 22, 1901. September 1, 1901, after date, we either of us promise to pay to the order of Camp & Cross, one hundred and twenty-five dollars at the banking house of Wm. A. Nicholson & Son, bankers, at Union, S. C., value received with interest after maturity at the rate of eight per cent. per annum until paid. We agree in default of payment, after maturity, to pay ten per cent. for attorney's fees for collection. J. S. Harris, W. C. Nelson and R. N. Harris."

"$125.00. Union, South Carolina, May 22, 1901. November 1, 1901, after date, we or either of us promise to pay to the order of Camp & Cross, one hundred and twenty-five dollars at the banking house of Wm A. Nicholson & Son, bankers, Union, S. C., value received with interest after maturity at the rate of eight per cent. per annum until paid. We agree, in default of payment, after maturity, to pay ten per cent. attorney's fees for collection. J. S. Harris, W. C. Nelson and R. N. Harris."

On June 14, 1901, Camp & Cross, for value received, in writing, indorsed said two notes to T. H. White and M. S. Lewis. A few days after said notes had been transferred to T. H. White and M. S. Lewis, one Cross, of the firm

of Camp & Cross, who had indorsed the two notes to White and Lewis, came to White and stated that he had seen in the Charleston News and Courier, a newspaper printed in the city of Charleston, S. C., that the words, "We agree in default of payment after maturity to pay ten per cent. attorney's fees for collection," inserted in a note otherwise negotiable, would render such note unnegotiable. Cross then stated that he did not wish to have any trouble about this in the future, and that, if White and Lewis would turn over the two notes to him, he would go to Union, S. C., and obtain those words stricken out from each note by the makers of said notes. He receipted to White and Lewis for the two notes, and went to Union to see the makers. He only saw one of the makers, as hereinafter mentioned. But Cross did not go any further as to the makers, but with his own hand ran the pen through those words in each note, and carried the notes thus altered to the new holders, White and Lewis, and delivered them up. Both White and Lewis always protested that, if the words erased was not the act of the makers, they disclaimed any right thereto. Not being paid at maturity, White and Lewis had the notes duly protested for non-payment, and they thereafter brought this action against the three makers, as defendants. These defendants denied their liability, insisting that the notes had been altered after they signed them, by striking out the words from said notes we have already described, which words in the two notes rendered them unnegotiable. The defendants also claimed that, being unnegotiable notes, they were entitled to show that the same in the hands of the present plaintiffs were subject to any defense they had against Camp & Cross, and they pleaded that said notes were procured by gross misrepresentation and fraud.

The trial judge directed the jury to return a verdict for the plaintiffs for principal and interest and the costs of protest.

POPE, *C. J.:* It must be apparent that this whole controversy is mainly hinged upon the determination of the question, were these two notes negotiable or non-negotiable? The decisions of the Supreme Court of this State have not as yet settled what effect the insertion of the words, "we agree in default of payment after maturity to pay ten per cent. attorney's fee for collection," in a note, will have upon it—that is, whether it is still a negotiable note, or does it become an unnegotiable note?

In the case of Sylvester, Bleckley & Co. vs. Alewin, *et al.*, 48 S. C. 308, this identical question was presented. Two justices—Mr. Justice Gary and Mr. Chief Justice McIver—there held that the note becomes unnegotiable, while Mr. Justice Jones held to the contrary, and Mr. Justice Pope expressed no opinion on this question; holding that a new trial had to be ordered because of the mistake of the trial judge in improperly sustaining a demurrer.

The two decisions of Bank vs. Gary, 18 S. C. 282, and Bank vs. Strother, 28 S. C. 505, are in no way decisive of this question.

A promissory note is said in 2 A. & E. Ency. 314, to be "a written engagement by one person to pay another absolutely and unconditionally a certain sum of money at a time specified therein."

These two notes here sued on certainly fill all the requirements of promissory notes, down to the words we have already quoted. Do these words change the character of these notes? We think not. The ten per cent. attorney's fees are not to be paid until after the maturity of the notes. Besides, it has always been held in this State that a provision in a note for the

payment of protest fees never alters the character of a promissory note. It is true that it is held in this State that a provision in a promissory note for the payment of the cost of exchange will change it to a non-negotiable note. Why? Because the cost of exchange is an ever-varying matter. But look at these words: "We agree if this note is not paid at maturity, we will pay ten per cent. attorney's fees." Are they not definite and certain?

Very different are these words from those used in Bank vs. Strother, *supra*, where a provision was inserted in the note to pay "reasonable attorney's fees and costs." Nothing could be more uncertain than the words used in the latter case. Now, we would use words of no uncertain sound or meaning. We wish to hold a definite and distinct promise to pay five or ten per cent. attorney's fees in an otherwise clear promissory note will not change its character from a promissory note.

With reference to exceptions alleging error in holding that striking out said provisions for attorney's fees is not a material alteration: The material alteration of a note extinguishes all liability thereon as against parties not consenting. (Sanders vs. Bagwell, 32 S. C. 238.) Whatever changes the legal effect of the instrument is a material alteration. "The test is, not whether an alteration increases or reduces a party's liability, but whether the instrument expresses the same contract—whether it will have the same legal effect and operation after the alteration as before." (A. & E. Ency. Law [2d Ed.] 224, 225, and notes.)

The stipulation as to attorney's fees is not material in so far as the question of negotiability is concerned, but it is certainly material in so far as the contract liability of the parties is concerned. To add such words to a contract would certainly be a material change. To strike them out must also be material, if the test is whether the legal effect of the instrument is altered. In 2 Ency. Law, 238, it is stated: "Any alteration in the amount of the principal of an instrument conditioned for the payment of money is material, whether such alteration increases or decreases the amount. Thus it has been considered a material alteration of an instrument to insert therein (Monroe vs. Paddock, 75 Ind. 422) or erase therefrom (Bank vs. Laughlin, 4 N. D. 391) a provision for the payment of attorney's fees in the case of suit brought, or to change the amount of the fee which is provided for in such clause. (Burwell vs. Orr, 84 Ill. 465.)" (See, also, Coburn vs. Webb, 56 Ind. 96; 2 Daniel, Neg. Inst. [3d Ed.] Sec. 1375; Sanders vs. Bagwell, *supra.*)

Now, with reference to whether the case should have been submitted to the jury: It does not appear that there was any evidence that defendants J. S. Harris and R. N. Harris ever consented to the alteration of the note by Cross, but it was a matter proper for the jury to consider whether defendant W. C. Nelson consented to such alteration. It is true, he testified that he did not consent; but, on the other hand, he testified to the effect that the change was made by Cross in his presence, and that he told Cross, "if he wanted, to change it." It was for the jury to say whether Cross made the change in the presence of W. C. Nelson, and with his acquiescence. If so, Nelson would be bound, whether the other defendants are released or not.

Furthermore, touching the question whether the change in the notes was an alteration or a spoliation, the case should have been submitted to the jury, under proper instructions as to the law. Contrary to the rule in England, the authorities in the United States generally hold that if a stranger to the

contract, without any complicity with the grantee or obligee, materially alters an instrument in writing, that is a spoliation, and does not prevent a recovery on the original contract. (2 Dan. Neg. Inst. [3d Ed.] Sec. 1373; 2 Ency. Law [2d Ed.] 214.)

Was Cross a stranger to the contract, having indorsed the same to the plaintiff? What was the character of the indorsement, was it without recourse, and was he liable to pay the notes in any contingency at the time he made the change? Then, if we should suppose that Cross was a stranger to the contract, it must still be determined whether there was any privity between plaintiffs and Cross with respect to such alteration—a question proper for the jury in this case.

For these reasons, we think the judgment should be reversed, and the case remanded for a new trial, and it is so adjudged.

BANKRUPTCY OF DEPOSITOR—WHEN DEPOSITS NOT A PREFERENCE—RIGHT OF SET-OFF.

United States Circuit Court of Appeals, April 12, 1904.

In re GEORGE M. HILL COMPANY.

The deposit of money in bank by an insolvent within four months prior to his bankruptcy on open account subject to check does not constitute a transfer of property amounting to a preference, although the bank may be at the time a creditor.

In such a case the bank has the right to set off so much of its claims as equals the balance in such account.

Where an insolvent within four months prior to his bankruptcy pays to the bank notes given to a third person but which have been indorsed to and are owned by the bank, this constitutes a preference, and it must surrender the notes before proving a claim against the estate.

The bankrupt, a corporation engaged in the book business in the city of Chicago, and against whom a petition in bankruptcy was filed on March 6, 1902, had been for a long time a customer of the First National Bank, maintaining a deposit account with it, and was a constant and large borrower of money from it. The bank was ignorant of the insolvency of the bankrupt until March 4, 1902, two days before the filing of the petition in bankruptcy. In its dealings with the bankrupt the bank kept a "loan account" and a "deposit account." The loan account included direct loans, being discount to the bankrupt of its notes (herein designated as direct indebtedness), and notes of customers of the bankrupt received from, indorsed by, and discounted for it (herein called contingent indebtedness). During the same period the bank discounted for others of its customers notes of the George M. Hill Company to a large amount, indorsed by such other customers. Such discounts, however, did not appear in the loan account of the bankrupt kept by the bank, but in the loan account of the customers for whom the discounts were made. On November 6, the commencement of the period of four months immediately preceding the filing of the petition in bankruptcy, the loan account stood as follows:

Direct indebtedness	$30,000
Contingent indebtedness	39,700
Total	$69,700

On March 6, 1902, the date of the filing of the petition in bankruptcy, the loan account exhibited as follows:

Direct indebtedness	$23,500.00
Contingent indebtedness	51,829.86
Total	$75,329.86

There was in fact $20,000 in addition paid during the stated period, but with the money of the bank loaned for that purpose. The loans were for like amounts, and were contemporaneous with the payments, and are treated by the referee as renewals and not considered as payments. The amount actually paid by the bankrupt upon its direct indebtedness during the stated period of four months was $17,500. The last payment, $2,500, was made January 7, 1902, and reduced the direct indebtedness at that date to $15,000, at which sum it remained until February 11, when $5,000 was added, and on March 1 $3,500 more was loaned, making the total direct indebtedness, at the date of filing the petition in bankruptcy, $23,500.

On the second day before the filing of the petition in bankruptcy, and after knowledge of the insolvency of the George M. Hill Company, the bank appropriated the balance in the deposit account standing to the credit of the company, to wit, $3,700.96, and applied it upon the direct indebtedness in the loan account.

During the stated period of four months the bankrupt paid to the bank on its promissory notes discounted by the bank for third parties, and owned by the bank, the sum of $59,505.53. These payments do not appear upon the loan account of the bank with the George M. Hill Company, but in the loan account kept by the bank with the customers for whom the discount of the notes was made. The sums thus received by the bank within the stated period of four months were these:

On loan account	$17,500.00
In payment of bankrupt's notes discounted by the bank for third parties	59,505.53
Appropriated balance	3,700.93
Total	$80,706.46

These accounts the referee held to be preferences, the appropriated balance to be repaid to the trustee, because received with knowledge of insolvency, and the others to be repaid as a condition of the allowance of the bank's claim.

JENKINS, *Circuit Judge:* First. With respect to the appropriated balance of $3,700.93, it was ruled below that because the appropriation of that amount was with knowledge of the insolvency of the George M. Hill Company it was a transfer of property amounting to a preference, under section 60a of the Bankruptcy Act of July 1, 1898, c. 541, 30 Stat. 562 (U. S. Comp. St. 1901, p. 3445). It is sufficient to say that the precise question has recently been ruled to the contrary by the Supreme Court, in New York County National Bank vs. Massey, 192 U. S. 138, 24 Sup. Ct. 199, 48 L. Ed. ——. In this respect, therefore, the referee and the court were in error.

Second. It is insisted by the appellant that payment by the bankrupt of notes given by it to third parties and discounted by the bank were, under the law, preferential payments to those for whom the bank discounted the notes,

and were not preferential payments to the bank. We are not able to concur in this contention. The fact that the bank did not enter these notes in its loan account with the bankrupt, but in the account with the parties for whom they were discounted, is of no moment. The real question is, what was the true nature of the transaction? Was payment under the law preferential to the bank receiving payment? The title of the bank to these notes was absolute. The debt thereby evidenced was a debt owing by the bankrupt to the bank. True, the original payees of the notes were liable to the bank upon their indorsements of the notes, contingent upon their dishonor by the maker and upon due notice of such dishonor. True that, in the absence of a bankruptcy law, payment of the notes by the maker would inure to the benefit of the indorsers, relieving them from such contingent liability. True, also, that the debt of the bankrupt expressed by the notes would become a debt to the indorsers if and when, in discharge of their liability as indorsers, they should repossess themselves of the notes. But it was the bank, not the indorsers, who received the preferential payment. The release of the indorsers from contingent liability, if such release was effected by such payment, was an incident not affecting the penalty imposed by the bankruptcy act for the receipt, however innocent, of a preferential payment. Within the definitions of the bankruptcy act the indorser has been held to be a creditor of the bankrupt, while his liability as an indorser is contingent, so as to charge him with preferential payment made to the holder of the note. (Swarts vs. Siegel, 117 Fed. 13, 54 C. C. A. 399.) But none the less is the owner of the note likewise subjected to the penalties of the act for receipt of such preferential payment. (Swarts vs. Fourth National Bank of St. Louis, 117 Fed. 1, 54 C. C. A. 387.)

In these cases both the bank and the indorsers were held chargeable for receipt of preferential payment by reason of the amount paid to the bank, which payment must be refunded before either party could prove an independent claim against the bankrupt with which the other party was in no wise connected. This would not result, as counsel supposed, that in such case the insolvent estate would recover twice what it lost. Only the amount by which the assets of the estate had been depleted must be returned.

It is further said that the bank, refusing to receive payment of the notes, would thereby discharge the indorser. The contention is not free from difficulty, and if that result would follow the enforcement of the act would be productive of injustice. But we think the matter has been ruled by the Supreme Court in Bartholow vs. Bean, 18 Wall. 635, 21 L. Ed. 866, a case arising under the former Bankruptcy Act (Act March 2, 1867, c. 176, 14 Stat. 534, 536). The question was presented in that case, and Mr. Justice Miller, delivering the opinion of the court, said:

"It is very obvious that the statute intended, in pursuit of its policy of equal distribution, to exclude both the holder of the note and the surety or indorser from the right to receive payment from the insolvent bankrupt. It is forbidden. It is called a fraud upon the statute in one place and an evasion of it in another. It was made by the statute equally the duty of the holder of the note and of the indorser to refuse to receive such a payment. Under these circumstances, whatever might have been the right of the indorser, in the absence of the bankrupt law, to set up a tender by the debtor and a refusal of the note holder to receive payment, as a defense to a suit against

him as indorser, no court of law or equity, could sustain such a defense, while that law furnishes the paramount rule of conduct for all parties to the transaction; and when in obeying the mandates of that law the indorser is placed in no worse position than he was before, while by receiving the money the holder of the note makes himself liable to a judgment for the amount in favor of the bankrupt's assignee, and loses his right to recover, either of the indorser or of the bankrupt's estate."

Within the rule in Pirie vs. Chicago Title and Trust Company, 182 U. S. 438, and *In re* Fort Wayne Electric Corp. 99 Fed. 400, 39 C. C. A. 582, we have no doubt that the amount of these notes thus paid should be refunded as a condition that the bank prove its other claim. The payment of the several notes was the payment of a debt within the stated period, which inured to the detriment of the bankrupt's estate, disturbing the equality of the statute and forbidden by the statute.

Third. In Jaquith vs. Alden, 189 U. S. 78, it was ruled that payments on a running account, in the usual course of business, by a person whose property has actually become insufficient to pay debts, where new sales succeeded payments, and the net result was to increase his estate, and the seller had no knowledge or notice of the insolvency, and no reason to believe an intention to prefer, are not preferences which must be surrendered as a condition to the allowance of a proof of claim under the bankruptcy act. It is insisted by the appellant that under this rule it was improper to require the repayment of the sum of $17,500 paid during the stated period upon the direct indebtedness. It is to be observed that this account with the bankrupt kept by the bank does not include the notes of the bankrupt discounted by the bank for the respective payees of those notes, and which, as we have said in the preceding paragraph, were the debt of the bankrupt to the bank, and upon which was paid the sum of $59,505.53 during the stated period. We think that in stating the accounts between the parties, within the rule declared in Jaquith vs. Alden, all the transactions between the parties must be included, and that we are not limited to an account as it is stated or was kept by the bank, because we are to inquire whether the net result of the transaction was to increase or decrease the estate of the bankrupt. If the account was stated including that amount, there remains no question that the net result of the dealings was to decrease the bankrupt's estate, and that the bank is therefore chargeable with the amount of that net decrease as a condition of proving its claim.

Treating the account, however, as it is stated by the bank, there appears, during the stated period, to have been a decrease of direct indebtedness of $6,500, and an increase of contingent indebtedness of $12,129.18, showing an apparent net increase of indebtedness of $5,629.18. The inquiry presents itself whether the contingent indebtedness is properly included in that account. That contingent indebtedness was the contingent liability of the bankrupt upon notes of its customers discounted by the bank upon its indorsement of those notes and the proceeds paid to the bankrupt. This created no increase of the bankrupt's estate, for these notes were assets of the bankrupt, which by the transaction it had simply converted into money. Its liability upon these notes, to the bank, was contingent upon dishonor of the notes and due notice of such dishonor, and the bank's claim thereon might be proven as a contingent claim. The amount of liability could only be determined at

the maturity of the notes. At the time of the bankruptcy the amount of these notes was $51,829.86, upon which there was paid by makers of them, at or before the hearing by the referee, the sum of $4,433.19.

Whether and to what extent the bankrupt's estate should be charged could only be determined when the contingent liability had become an absolute liability. But, since the test is not whether the bank was damaged by it, or the indebtedness to it increased, but whether the bankrupt's estate was increased, and as the discount of these notes did not increase the bankrupt's estate, but operated merely to convert existing assets into cash, we do not think that this contingent liability should be permitted, in stating the account, to work an increase of benefit to the estate.

The referee and the court below allowed, as a preferential payment, the sum of $17,500 upon the direct indebtedness during the stated period, upon the postulate that there was a decrease of that direct indebtedness during the stated period of $6,500. These payments were made on or prior to January 7, 1902, reducing the direct indebtedness at that date to $15,000; but by discounts obtained February 11 of $5,000, and March 1 of $3,500, the direct indebtedness was increased from $15,000 on January 7, to $23,500 at the date of filing the petition in bankruptcy. The actual decrease of indebtedness between November 6, 1901, and March 6, 1902, was $6,500, and yet the court below has charged as a preferential payment the total payments made upon this direct indebtedness of $17,500, ignoring the subsequent discount by the bank during the stated period, and by which the estate was increased. The court below, nevertheless, ignored the payment of $20,000 because the payments were made by renewal notes, and the estate, with respect to increase or decrease of assets, was unaffected thereby. By the bankruptcy statute, section 57g (30 Stat. 560 [U. S. Comp. St. 1901, p. 3443]), the claims of creditors who have received preferences shall not be allowed unless such creditors shall surrender their preferences; and under the rule in Jaquith vs. Alden we must ascertain the net result of gain or loss to the estate during the stated period, and, treating this account of direct indebtedness by itself, there was a direct loss to the estate of only $6,500, and the amount of preference could only be that sum. Restoration, not punishment, is the object of this law. It was therefore not correct to hold the entire payment of $17,500 to be a preference. It results, therefore, that, in ascertaining the amount which should be required to be paid to the trustee as a condition of proving the claim of the bank, the amount of payments upon the notes of the bankrupt discounted to third parties, to wit, $59,505.53, should be included, to which should be added the amount of preference on direct indebtedness of $6,500, making a total of $66,005.53.

The decree is reversed, and the cause is remanded, with directions to the court below to enter a decree in conformity with the views herein expressed.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B. A., LL. B., Barrister, Toronto.]

CONDITIONAL SALE OF LOGS—AUTHORITY BY BANK MANAGER TO SELL —SECRET AGREEMENT AS TO OWNERSHIP—ESTOPPEL.

PEOPLE'S BANK OF HALIFAX vs. ESTEY (34 S. C. R. 429).

STATEMENT OF FACTS: The judgment of the Supreme Court of New Brunswick dismissing the plaintiff's action was reported in THE BANKERS' MAGAZINE, Vol. 68, p. 364. From this judgment an appeal was taken to the Supreme Court of Canada, which was heard by Sir Elzaar Taschereau, *C. J.* and Girouard, Davies, Nesbett and Killam, *JJ.*

JUDGMENT (DAVIES, *J.*): This was an action brought by the plaintiff bank against Estey to recover from him the value of a quantity of lumber or logs purchased by the latter from one McKendrick some two years before the action was brought. Judgment had been entered by the trial judge in plaintiff's favor for $2,766.63, being the value of the logs, and this judgment, on appeal to the Supreme Court of New Brunswick, was reversed and judgment entered for the defendant. From the latter judgment the plaintiff bank appeals to this court.

On some of the important questions involved in the case the evidence is regrettably meagre, the parties at the trial having assumed much which does not distinctly appear upon the record. The facts, however, which in my opinion are sufficiently proved, and. if proved, determine the issues in defendant's favor, are as follows:

The bank, which was carrying on business in New Brunswick and had an agency at Woodstock managed by Mr. George White, became through its business operations the owner of a quantity of logs known as the Upham logs, on the St. John River. The defendant Estey was and had been for a great many years a lumberman carrying on business on the said river, buying and selling logs and sawing the same into deals and boards, etc. One McKendrick, to whom the bank sold the logs (conditionally), was also a lumberman on the St. John River, residing at Fredericton, and engaged before and at the time he bought the logs from the bank in dealing and trading in lumber and logs, and known to the bank Manager to be engaged, as stated by him in evidence, "in buying and selling lumber," and had a very short time before leased a small sawmill from the bank, on the bank of the river. At the time of the sale by the bank to McKendrick, nothing was said one way or the other as to the use he should put the logs to, whether saw them up or sell them. A day or two after the sale of the logs, White, the bank Manager, sent the boom company, in whose custody the logs were, a written order to deliver to McKendrick, "all the Upham logs passing through your boom during the season of 1900," and also sent a similar order to one Sewell, who had charge of the delivery of the logs to their various owners after they had been rafted in the boom. One of the conditions contained in the contract of sale between the bank and McKendrick was as follows: "The property in the said logs to remain in the People's Bank of Halifax until the same be paid for."

Shortly after the sale to McKendrick was made, Estey, who resided at

Fredericton, on the St. John River, telephoned to White, the bank Manager at Woodstock, with respect to these logs. The evidence with respect to this vital conversation is exceedingly meagre. White has no recollection of it at all, and Estey's version of it is as follows:

Q. Before purchasing from Mr. McKendrick did you have any communication with Mr. White in respect to these logs? A. I did.

Q. Will you state what the nature of that communication was? A. It was over the telephone. I asked Mr. White if he had the Upham logs for sale, and he said, no; he had sold them to Mr. McKendrick.

Q. That is Mr. White, the Manager of the People's Bank at Woodstock? A. Yes.

Q. That was before you bought from Mr. McKendrick? A. Oh, yes, some time before.

Q. Approximately how long before? A. I would think no less than three weeks before.

Q. Having received this answer from Mr. White did you then purchase the logs from Mr. McKendrick? A. I did.

A question was incidentally raised during the argument on the absence of any direct and positive evidence that it was White who was at the other end of the telephone when Estey asked the question. But I think as no such doubt was raised at the trial when it could have been at once either confirmed or removed, or in the court below, and as all the arguments had treated the conversation as having taken place between the real parties, White and Estey, who were known to each other, that weight should not now be attached to the question raised. I think the only fair and legitimate inference to be drawn from the evidence of Estey, above quoted, and from his cross examination on the conversation, is that both parties knew to whom they were speaking.

At the time Estey purchased the logs in question from McKendrick, he gave him his acceptance for the purchase money $3,000, which on maturity was duly paid. He was an innocent purchaser for value and did not learn until long after payment that the bank had any claim to the logs. The bank had given its orders to the boom-master, and Sewell, the tug-master, to deliver possession of the logs to McKendrick, who was able to satisfy his purchaser, Estey, on that point. It seems to me, therefore, that the legal question is reduced to the construction which, under the circumstances of the case, and bearing in mind the nature and character of the business carried on by the several parties concerned, and the relations in which they respectively stood to each other, ought to be put upon the telephone conversation.

When Estey asked White, the bank Manager, the question whether he had the Upham logs for sale, the latter knew he was being asked it by a man who was and had been for years engaged in the lumber business in buying and selling logs and other lumber on the St. John River. It was not therefore to be assumed to be a question asked from mere idle curiosity, but a business question asked by a business man for business purposes; and it seems to have been answered in the same spirit by Mr. White, who not only gave the categorical answer that he had not the logs for sale, but went further and volunteered the information that he had sold them to McKendrick.

Now, here is a bank dealing with two lumber merchants, both buyers and sellers of logs and other lumber, and known to its Manager as such. The

latter tells one of these merchants, who asks whether he has certain logs for sale, that he has not, that he has already sold them to the other merchant. He was not asked to whom he had sold them. He volunteered that information. What reasonable conclusion ought Estey to have reached on receiving that answer? Certainly, in my opinion, the one that McKendrick was the real as well as the apparent vendee possessing the ordinary power of sale which attaches to an ordinary purchaser. It seems to me that having volunteered to give Estey, a probable purchaser, the information he did, White was bound if he intended to act upon his strict rights to have warned Estey of the secret reservation of property in the bank. When he told him he had sold to McKendrick he had only told part of the truth. He must be taken to have known what construction a reasonable business man, trading in lumber, would put upon such an answer, and impliedly at the very least to have held out McKendrick as a purchaser with power to resell. If the latter had not been a buyer and a seller of lumber; if he was merely a mill-owner engaged in sawing logs into deals and boards, such an implication would not necessarily perhaps arise. But considering McKendrick's known business, I cannot doubt that such an answer, followed by the orders to the boom-master to give him possession of the logs, amply justified the implication by Estey that McKendrick had the property in as well as the possession of the logs.

I do not think any difference of opinion exists as to the law governing the case, although there are differences as to its application to the admitted facts and the legal inferences to be drawn from them.

In the case of London Joint Stock Bank vs. Simmons, Lord Herschell says:

"The general rule of the law is that where a person has obtained the property of another, from one who is dealing with it without the authority of the true owner, no title is acquired as against that owner, even though full value be given and the property be taken in the belief that an unquestionable title thereto is being obtained, unless the person taking it can show that the true owner has so acted as to mislead him into the belief that the person dealing with the property had authority to do so. If this can be shown, a good title is acquired by personal estoppel against the true owner."

This is after all only an elaboration of the doctrine laid down by Ashhurst, *J.*, in the well-known case of Lickbarrow vs. Mason, where he says:

"We may lay it down as a broad general principle that wherever one of two innocent persons must suffer by the acts of a third, he who enables such third person to occasion the loss must sustain it." (And see 6 Am. and Eng. Enc. p. 482.) In Henderson & Co. vs. Williams, the present Lord Chancellor Halsbury adopts the language of Savage, C. J., in Root vs. French, who in speaking of a *bona fide* purchaser who has purchased property from the fraudulent vendee and given value for it, says:

"He is protected on doing so upon the principle just stated that when one of two innocent persons must suffer from the fraud of a third he shall suffer who by his indiscretion has enabled such third person to commit the fraud. A contrary principle would endanger the security of commercial transactions and destroy that confidence upon which what is called the usual course of trade materially rests."

In the later case of Farquharson Bros. & Co. vs. King & Co. the same learned Chancellor reaffirms his adherence to the proposition of law as formu-

lated above by Chief Justice Savage, and remarks, on page 332, in reply to those who challenge the accuracy of the language used:

"These words 'who by his indiscretion' appear not to have made much impression upon those who were commenting upon this matter; and later on "of course it depends on the sense in which you are to understand the word 'enabled';" and then he goes on to illustrate the difference between the conduct and language of one who acts and speaks towards those to whom he owes a duty and towards others to whom he owes none.

With the greatest possible deference to those of my brethren who take a contrary view from that which I have stated, I have gone over the evidence most carefully and have reached the conclusion tersely expressed by Mr. Justice Barker in his judgment in the court below, "that it would be little less than a fraud to permit the plaintiff to set up a title to the property purchased superior to that of the defendant."

The appeal should be dismissed with costs.

PLEADING—CAUSES OF ACTION—JOINDER OF—CLAIMS BY MORTGAGEES AND BY ASSIGNEE FOR CREDITORS.

THE BANK OF HAMILTON vs. ANDERSON (7 Ont. L. R. p. 613).

STATEMENT OF FACTS: Anderson & Co. carried on a private banking business at Oakville, and were themselves customers of the Bank of Hamilton, at Hamilton, to whom they became indebted in a large sum. To secure this overdue indebtedness the bank took a mortgage on certain lands owned by C. W. Anderson, a member of the firm. Sometime afterwards Anderson & Co. made an assignment for the benefit of creditors, and it then transpired that C. W. Anderson had leased the mortgaged premises for five years to J. H. Anderson by an indenture which was dated prior to the mortgage to the bank. The assignee for creditors assigned his interest on the premises to the Bank of Hamilton and joined with them in an action for possession of the mortgaged lands.

The plaintiffs alleged that defendant, J. H. Anderson, was in possession under an alleged lease for five years from November 1, 1901, (its date); and the plaintiffs, the bank, alleged that "C. W. Anderson never made such a lease prior to the plaintiff's mortgage, and that said lease, if made at all, is subsequent to their mortgages."

In the next paragraph plaintiffs further alleged that the said lease, if made at all, was voluntarily made when the defendant, C. W. Anderson, was insolvent, to his own knowledge, and that of J. H. Anderson, and was therefore fraudulent. The plaintiffs alleged that they were entitled to possession, and claimed a declaration that the said lease was void as against plaintiffs, and that the defendants should be ordered to give up possession to them, and that the title of the plaintiffs, the bank, should be established. By the assignment from Clarkson to the bank he conveyed to the bank all his interest in the lands, "together with all his rights of action, claims and demands whatsoever against any and every person in respect thereof;" and gave power to use his name for any necessary proceedings.

The defendant, J. H. Anderson, moved before the Master in Chambers on March 4, 1904, for an order requiring plaintiffs to elect whether they would proceed with the claim of the bank as mortgagees and the allegation that the

lease was subsequent to their mortgage; or with the claim set up by Clarkson that the lease was void as being in fraud of creditors.

JUDGMENT (MACMAHON, *J.*): The motion was made by defendant, J. H. Anderson, requiring the plaintiffs to elect whether they would proceed with the claim of the bank as mortgagees, with the allegation that the lease was subsequent to their mortgage, or with the claim of Clarkson that the lease was void as being in fraud of creditors.

Since the master made this order, the bank obtained from Mr. Clarkson, the assignee, a consent in writing to his being made a party plaintiff to the action, which was filed.

By Rule 233, "A claim by an assignee in insolvency for the benefit of creditors shall not, unless by leave of the court or a judge, be joined with any claim by him in any other capacity."

Counsel for the plaintiffs, however, contended that the bank and the assignee are properly joined as plaintiffs under Rule 185, which reads: "All persons may be joined in any action as plaintiffs in whom any right to relief in respect of or arising out of the same transaction or occurrence, or series of transactions or occurrences, is alleged to exist, whether jointly, severally, or in the alternative, where if such persons brought separate actions any common question of law or fact would arise, etc."

If the mortgage given on December 11, 1901, by Cyrus W. Anderson to the bank is found at the trial to be prior to the lease made by him (Cyrus) to the defendant, James H. Anderson, there will be no necessity to set aside the lease as being fraudulent against creditors, because on a judgment for possession in the mortgage action J. H. Anderson could forthwith be turned out of possession.

The giving of the lease by Cyrus W. Anderson to his co-defendant does not arise in any way out of the "same transaction or occurrence" as the giving of the mortgage by Cyrus W. Anderson to the bank.

The cause of action by the two plaintiffs is that the giving of the lease was a voluntary transaction while Cyrus W. Anderson was insolvent to the knowledge of both the defendants, and fraudulent and void, and I utterly fail to comprehend how there can be "any common question of either law or fact" arising out of the mortgage transaction, and the fraudulent granting of the lease.

The appeal will be dismissed with costs to the defendant J. H. Anderson in any event.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents - to be promptly sent by mail.

Editor Bankers' Magazine: MANASSAS, VA., October 5, 1904.

SIR: A bank loans A $1,000 for six months and takes an interest-bearing note. When the note matures, A desires a continuance of the loan for two months, and gives the bank his note for $1,030 with interest. Is this usurious interest within the meaning of the law?

CASHIER.

Answer.—While it is held in some States that an agreement in advance for the payment of interest upon interest, as the same shall accrue, cannot be enforced, yet most of the authorities agree that an agreement to pay interest upon interest which has already accrued is not usurious. (Stewart vs. Petree, 55 N. Y. 621; Austin vs. Bacon, 28 Wis. 416; 27 Am. & Eng. Encyc. of Law, 999.) The case stated in the inquiry appears to be within this rule, for the $30 added to the renewal note represented interest then due.

Editor Bankers' Magazine: ONTONAGON, Mich., September 26, 1904.

SIR: In July 1901 the State Bank of Ontonagon, Michigan made a loan to John Bros. of some $4,000, payable in monthly installments of $150, taking a real estate mortgage for security. In July 1903 the State Bank went out of business and the First National Bank was organized and took the place of the State Bank. The mortgage in question along with the notes that had not yet been paid, were assigned to J. M. John Bros. gave the First National Bank a note for the amount left due on the old deal payable on demand and this note is endorsed by J. M. The old notes which are collateral to the mortgage are now all past due, and very little care seems to be taken of the last note given to the First National Bank. The note we have is made as follows:

$2,100. ONTONAGON, Mich., March 1. 1904.

On demand after date we or either of us promise to pay to the order of the First National Bank of Ontonagon, twenty-one hundred dollars at the First National Bank of Ontonagon. for value received. with interest at seven per cent. per annum, until paid. This note is to cover fourteen notes at $150 past due on mortgage. J. Bros.
J. M.

The following endorsements are on the back: $12.50 interest paid to April 1; $12.50 interest paid to May 1; $10 paid on account for interest.

Will you please tell us how J. M. should proceed to collect from them after he pays the bank this demand note? They often have enough money on deposit in some other bank to more than cover this amount. Could J. M. garnishee that money, or would he have to foreclose the mortgage and get his money through that channel only? C. MEILLEUR.

Answer.—If J. M. being a surety merely, should pay the note, he could maintain an action against John Bros. to recover from them the amount so paid, and it is not necessary that he should bring an action to foreclose the mortgage. But whether he could garnish their funds on deposit in another bank would depend upon whether he could establish the additional facts required to be shown in order to obtain that particular remedy.

Editor Bankers' Magazine: CHICAGO, Ill., September 17, 1904.

SIR: It would seem that the question has been raised as to the right of a National bank to carry a premium account in excess of the current value of Government bonds. Would you kindly give us your opinion as to that prerogative and also state if a bank has not any such right what the duty of the Comptroller of the Currency is in the premises?

LA SALLE.

Answer.—The National Bank Act requires that the statements and reports of a National bank shall disclose its true condition. But values cannot be ascertained with mathematical precision, and in estimating the value of assets some latitude must be allowed. It cannot be supposed that a bank will change its accounts every time there is some fluctuation in the price of the securities it holds, or every time there is a depression in the stock market. And though a depression might continue for a considerable time, it would not necessarily follow that a bank would have to mark down the value of its securities. It cannot carry assets at fictitious prices, and in this matter it must act in good faith and with reasonable judgment; but when the Comptroller allows a bank to carry bonds at a certain figure, he no doubt deems that a reasonable estimate, considering all the circumstances, and considering also, perhaps, the general condition of the bank.

AMERICAN BANKERS' ASSOCIATION.

THIRTIETH ANNUAL CONVENTION, HELD AT THE WALDORF-ASTORIA, NEW YORK CITY, SEPTEMBER 14, 15 AND 16, 1904.

The thirtieth annual convention of the American Bankers' Association, held in New York city September 14, 15 and 16, was the largest and most successful convention in the history of the association—the registration being about 3400, compared with 1700 at New Orleans, which had the next largest number. If there were those who doubted the wisdom of holding the convention at a point not centrally located, the result showed that so far as related to New York there was no foundation for such misgivings.

Besides the large attendance, further evidence of the health and vigor of the American Bankers' Association was to be found in the reports of the various officers and committees and the interesting and valuable addresses delivered by men eminent in the official and banking world. While the proceedings were entirely harmonious, spirited discussion was not lacking; showing that the delegates took a keen interest in what was going on, and that they had no hesitation in making a plain statement of their views on the various matters considered.

In its social aspects the New York convention seemed to approximate the golden mean. There was neither lavishness nor lack of hospitality. The entertainments included a trip to Coney Island and admission to Luna Park with its varied attractions, and a buffet lunch; and on two evenings the entire house was bought at two of the leading theatres for the exclusive use of the bankers. Added to these diversions were the innumerable places of interest presented by the great metropolis itself—a world of endless amusement, entertainment and instruction, of which the bankers did not fail to take note. Many of the city banks provided special entertainments for delegates from their correspondent banks. The National Bank of North America took a party of several hundred up the Hudson to West Point, on the magnificent new steel steamer C. W. Morse, returning to the city by special train. The Hanover National Bank kept open house to its friends, providing a sumptuous luncheon and contributing to the enjoyment of the visitors in other ways. Members of the Trust Company Section were entertained at luncheon at the Lawyers' Club by the New York trust companies, and a special reception was given by the Van Norden Trust Company. There was also a dinner at the Waldorf for the officers and members of the executive council. The Chase National Bank, National Park, and many other of the large institutions, extended courtesies to the members. Booklets containing useful information in regard to the city were issued by the Liberty National, the National Bank of North America and by Messrs. Fisk & Robinson.

Below will be found a complete consecutive report of the proceedings, and it should be mentioned that, as usual, THE BANKERS' MAGAZINE presents

the first report of this character to appear—and indeed the only one to be found outside the official copy of the proceedings, which will be issued later to members.

PROCEEDINGS OF THE CONVENTION.

FIRST DAY, WEDNESDAY, SEPTEMBER 14.

The convention was called to order at 10 o'clock, A. M., by the president, F. G. Bigelow. Prayer was offered by the Rev. Dr. George F. Nelson.

THE PRESIDENT: The next thing in the order of business is the roll-call, to be dispensed with unless there is objection.

There was no objection, and it was so ordered.

THE PRESIDENT: I know it will be a pleasure to the association to listen to an address by the Hon. George B. McClellan, Mayor of the City, whom I have the pleasure and honor to introduce.

ADDRESS OF WELCOME BY HON. GEORGE B. MCCLELLAN, MAYOR OF THE CITY OF NEW YORK.

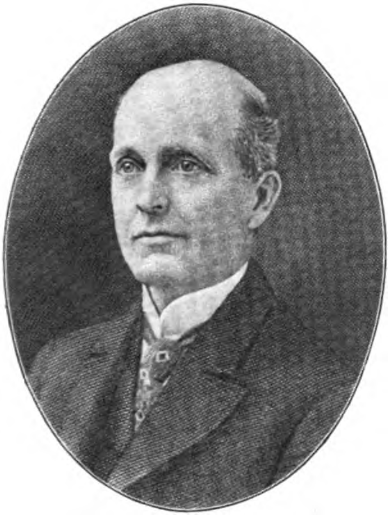
Mr. Chairman, Ladies and Gentlemen—The time may come when government in its infinite wisdom may be able to create capital by legislation and will be willing to lend it in indefinite amounts without exacting interest or security, but until the millennium arrives most of us will have to borrow money from the banks, and nearly all of us will continue to lend to the banks, because in a prosperous country like ours nearly all of us are bank depositors. It is sometimes both easy and pleasant to borrow, but it is sometimes neither so easy nor so pleasant to pay back again. When our note has been discounted we leave the bank convinced that the banker is one of the chief factors in the commercial and industrial development of our country; but when our note falls due we are apt to turn our thoughts to a serious consideration of the remissness of Congress in having done nothing to check the greed of the money power.

As the lean years succeed the years of plenty it becomes more and more evident that it is one of the inalienable rights of the American citizen to abuse the American banker. The measure of the nation's prosperity is the inverse ratio of the total amount of abuse set apart by the public for the exclusive benefit of the banker. When times are prosperous there is a disposition to credit all good things to the banker, the most recent case being the establishment of the present standard of values. It is true that there were some who saw in the establishment of the present standard the direct interference of a benign Providence in the settlement of a purely economic question. Others there were who with the faith—a simple, beautiful faith, worthy of earlier and better days—believed that our whole financial system was reconstructed by a patriotic Congress upon a foundation of masterly inactivity and unlimited leave to print in the "Congressional Record."

Many, on the other hand, are convinced that the standard of value was established beyond all question or cavil because of the will of a majority of the people in consequence of the economic development of our country, and that the sentiment that took the question from the realm of party politics, where it ought never to have been, and placed it in the domain of pure economics, where it belonged, was created and fostered and crystallized by the bankers of the United States.

Which one of these three theories is correct I cannot undertake to say. Where there is such difference of opinion who shall decide? But whether or not the bankers of this country had anything to do with the establishment of the standard, the very establishment of that standard imposed upon them a duty that they cannot refuse to undertake.

For more than a hundred years there was on the statute books a militia law that required every adult male citizen to keep in his house in defence of



E. F. SWINNEY, *President.*

JOHN L. HAMILTON, *First Vice-President.*

JAMES R. BRANCH, *Secretary.*

W. G. FITZWILSON, *Assistant Secretary.*

OFFICERS OF THE AMERICAN BANKERS' ASSOCIATION.

the fatherland a musket and sufficient ball and powder and a hanger or spontoon—whatever that may have been—and that law was only repealed during the last Congress, because no one had thought it worth while to awaken Congress to the absurdity. The statute on currency is in much the same condition as the old militia law. I had the honor to be elected five times to the House of Representatives, and during four Congresses I was on the Committee on Ways and Means. In accordance with the traditions of the House, membership on that committee confers a species of omnipotence and omniscience, and yet theoretically omnipotent and omniscient as I was, I do not remember that anyone of my constituents ever consulted me on the question of architecture or medicine. If I want to build a house or cure a cold in my head, much as I revere my own Representative in Congress, I am inclined to think that I would call in the services of an architect or a

HON. GEO. B. MCCLELLAN, *Mayor of the City of New York.*

physician. The currency question is just as technical and just as scientific as architecture or medicine. The question will never, never, be satisfactorily settled until the settlement has been suggested by these who know what they are talking about.

Congress is always upon the eve of an election, no matter which party is in power; it is afraid to bring up the currency question for fear of political capital being made of it by its opponents. The consideration of the matter has been deferred so often that it seems almost as impossible of solution as the squaring of the circle or the riddle of the Sphinx. You have it in your power to prove to Congress that the question of the currency is in no sense political. You have it in your power to so arouse public opinion that Congress, regardless of section or faction or party, will place upon the statute books a currency law suited to the twentieth century, suited to the economic and business needs of the day in which we live.

I have been asked to come here to-day for the purpose of making a

speech of welcome, and I have preached. I am sorry. I am here not only in my capacity as Mayor of New York City, but also as Mayor of New York bankers. I am told that there exists a disposition in some quarters to look a little askance at New York bankers, a disposition to divide all American bankers into two classes, the sheep and the goats, the ordinary, every-day good and worthy bankers, and New York bankers. Let me reassure you at the outset of the convention that you will find New York bankers, when you get to know them, very much like all other bankers in this country. They are just as willing to oblige you by taking your account, if you come properly introduced; just as willing to discount your note if it is satisfactorily endorsed; just as willing to make a legitimate profit, and just as willing to succeed by every legitimate means. They are very much like other prosperous citizens of New York city; they have the same hard-headed intelligence, the same ability to get on, the same rugged business and personal honesty, the same great pride in our city. It makes them know that New York is not only in fact as well as in name the Empire City of the eastern continent, but that she is destined before long to become the mightiest city the world has ever seen. They have the same intense love of country that has made them in the past, as they will in the future, stand ready to protect her credit not only in time of war but what is even more difficult, in times of peace.

So I bid you welcome to New York. May your stay here with us be most pleasant. May your convention be the most successful in the history of your association, and may it fully accomplish all the purposes for which you have met together.

THE PRESIDENT: The convention will be pleased to listen to an address of welcome by Mr. James Stillman, President of the National City Bank of New York, whom I introduce to you.

ADDRESS OF JAMES STILLMAN, PRESIDENT OF THE NEW YORK CLEARING HOUSE ASSOCIATION AND OF THE NATIONAL CITY BANK, OF NEW YORK.

On behalf of the bankers of the city of New York, I have the honor of welcoming you here. It has been with genuine pleasure that your fellow bankers in this city have prepared for your coming, and their greeting, which I now bring you, is sincere and cordial.

This great convention is a most representative gathering of men whose work lies in the field of finance. The meeting, it seems to me, is of deeper significance than appears merely in the occasion offered here for the interchange of cordial amenities, or even in the opportunity which is presented for listening to the admirable papers and the enlightening discussions which have always furnished reason for these annual gatherings.

The deeper significance of this great national meeting of bankers is to be found in the spirit of co-operation which is being nurtured. The growth of the spirit of co-operation is undoubtedly the most significant phase of the economic development of the present day. Almost beyond calculation are the economic results already attained in the fields of industry and transportation through the elimination of unintelligent competition—that sort of competition which has meant in the end direct and definite loss to every one concerned—loss to the workingmen, loss to owners of property, and ultimately loss even to the consumers.

In the management of the country's great industrial undertakings notable progress has been made in recent years in the direction of harmonizing divergent interests, in the wiser comprehension of the value of mutual good understanding, in the juster appreciation of the right of competitors. Such progress in the direction of true co-operation has resulted in vast additions to the wealth of the country, as real as would have resulted from the discovery of new mines, the making productive of desert fields, or the acquisition of new sources for the supply of raw material.

In the field of industry, the beneficent economic results which followed this awakening to the value of co-operation have become too obvious to need any word of emphasis. In the field of finance, however, there is not yet such general recognition of the value of co-operation. I believe there is no more important thing left for bankers to learn. When we come fully to appreciate

the great economic value of co-operation, when we see more clearly the waste which follows unintelligent competition and understand that such waste means as complete a loss of wealth as comes with a disastrous fire or a blight of crops, we shall have brought into the business of banking something of the modern spirit which has so marked the present-day development of industrial affairs.

Here in this great gathering of bankers is the evidence that we are beginning to appreciate that fact. Here is a fertile ground in which broad ideas may grow; here we may all more easily lose our provincialism,—the provincialism of the great city quite as much as the provincialism of the country; and here in the good fellowship and better acquaintance which such a gathering gives opportunity for, may well be the beginning of a co-operation in financial matters which will in the end be of vast and most beneficial conse-

JAMES STILLMAN, *President New York Clearing-House Association.*

quence. And they will be beneficial not to bankers alone, but to every person whose interest is in any way concerned with banking affairs—and there could be no broader category.

With such a view of the full significance of this convention, I am profoundly appreciative of the honor which I have in offering you, in the name of the associated bankers of New York, a hearty welcome.

THE PRESIDENT: To you, Mayor McClellan, I can only say I wish I had the facility to express in appropriate language the feelings of my heart. I wish an eloquent tongue could respond to your gracious and kindly welcome.

It is with unfeigned pleasure, however, that I acknowledge, in behalf of the association over which I have the honor to preside, your cordial greeting. I assure you that the bankers of the United States, well represented here, appreciate your words of welcome, and that they will feel at home in your well-governed city.

Mr. Stillman, standing for the bankers of New York, I return to you the cordial thanks of the association for the welcome you extend us. We

are workers together in the same fields of endeavor. Banking, like all other business, focuses in New York, and I hope this meeting here presages the greater and greater interest on the part of New York bankers in the work of this association. While we have, as it were, centers of business

F. G. BIGELOW, *Former President.*

more important than in the past, yet in modern business methods we are linked more and more closely to you. All of our worth and all of our resources may not be listed on your exchanges, but we acknowledge the fellowship with New York of all important business, initiative enterprise.

I thank you again and again, gentlemen, for your most cordial welcome.

President Bigelow then delivered his annual address as president of the association, as follows:

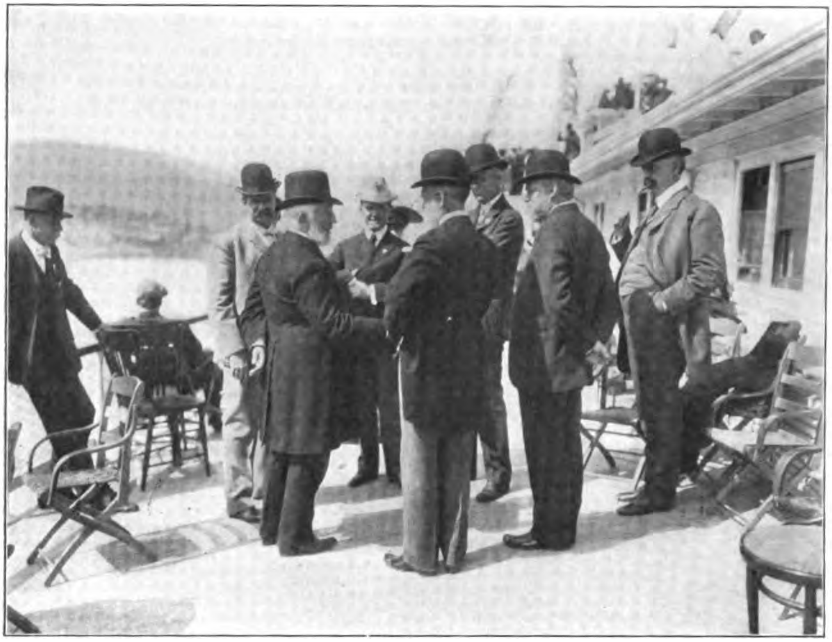
ANNUAL ADDRESS OF F. C. BIGELOW, PRESIDENT AMERICAN BANKERS ASSOCIATION.

To the members of the American Bankers' Association, friends of many years, always courteous and kind to me, my fellow "father confessors of the modern world," I extend a cordial, thankful greeting. I congratulate you on this fine attendance and the spirit it betokens.

However much prejudice there may appear to be at times against bankers, our business is of the utmost usefulness and importance, and the right pursuit of it in its broader and better aspects requires all the courage and all the conservatism we can command.

We meet in the thirtieth convention of the American Bankers' Association. This covers a period of grotesque and whimsical financial legislation; some of our ablest men were infected with fragments of the silver bacillus and engaged for years in frantic attempts to restore the breaking fortunes of silver; some had too much sense to espouse free coinage, but they sought refuge in the shifting sands of bimetallism. This is all forgiven and forgotten now. History, experience and logic have killed bimetallism and it will never vex the world again.

Elected to this office by your generous favor in San Francisco, where we all so thoroughly enjoyed the genuine, hearty, whole-souled hospitality of those who live in sight of the Golden Gate, it is peculiarly agreeable to preside over your deliberations in Greater New York, destined some day to be the



A Group of Financiers on Their Way to West Point.

greatest city of the modern world, I beg all your indulgence in the administration of my office in its last stage, and I shall need it.

THE WORK OF THE ASSOCIATION.

The work of this association is done by its active officials, its competent committees and its administrative officers. It is a personal pleasure to me, and I deem it an appropriate official privilege, to say that I think the secretary of this association is entitled to your thanks and mine for his able administration of his office, for the growth of the association which he has done so much to promote and foster, for his ability to lop off much that has been from time to time unwisely proposed, for his quick initiative in any sound, new endeavor to increase the association's influence and usefulness. The success of the American Bankers' Association seems to be the very breath of his nostrils.

In 1876 we had 1,600 members and our dues amounted annually to $11,600. In 1885 we had 1,395 members and our annual dues were $10,500. In 1895 we had 1,570 members and our dues were about $13,000. Early in this year we had about 7,000 members and our dues were $73,000. From this date looking forward to the coming year, we have now enrolled 7,500 members and our increased dues will bring in an annual income of $122,000.

This association was formed for mutual protection from enemies without and within. An enlightened self-interest is the best spring of all human action; and the most manifestly valuable work of this association has been that of its protective committee, dealing with attacks from criminals, forgeries, and the like. I will not go over the ground or the argument; you will get the report of the committee and you are familiar with the great benefit our members have derived in that field.

We have until now collected $5 a year dues from small banks, and we have spent at the rate of over $5 a year for each bank in the admirable work of the protective committee. This has grown with the years, and the intelligence of it has appealed to us all.

The educational work has taken considerable money and its promise is very great; its accomplishment is already considerable.

I wish particularly to commend the Institute of Bank Clerks; much good may come of it. If I were to give a word of warning, I would say, do not expect to be fitted to manage a large bank by reason of any acquired, superficial knowledge of routine. You must put your heads and hearts into the work and devote good broad abilities to it. Your best education will be from actual contact in practical affairs with men on the other side of the counter.

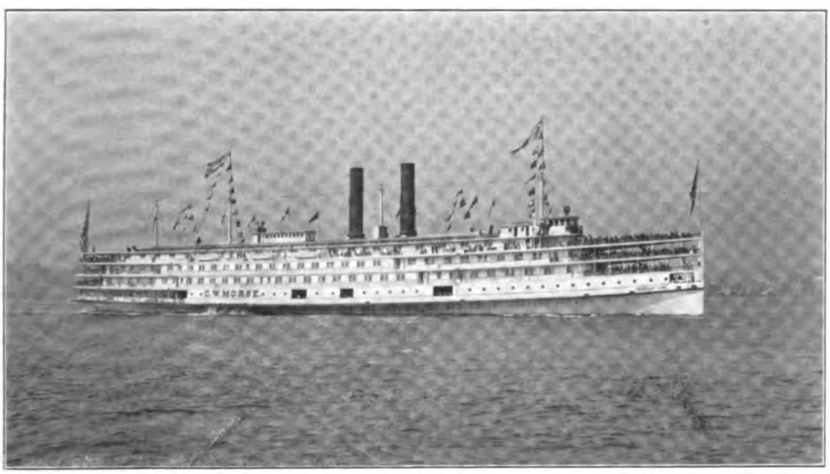
It is not strange that the time came when such meager dues as we have had, needed to be raised. We have about doubled them. We must expect to lose members; yet when we all, and those bankers yet outside our communion, think it over, we shall appreciate the benefits of membership in this association, and we shall increase in numbers and in influence.

The most efficient committee work done this year, is, in my opinion, that of the money order committee. It had a normal work to do, but it did it with unusual care, and I think its practical results will reflect great credit on the committee and bring increased usefulness to the association. I cannot too strongly commend it, and I urge the banks who can, to avail themselves of its benefits. It was, as I say, a normal work: that is, it was strictly within our province; and the way of its accomplishments did not, in the matter of financial responsibility, embroil the association in any way. It went outside for its guarantees, and thus the association has not sought competition with well-established concerns not invading our natural field. I consider this of the first importance, and I hope the scope of the association's usefulness will be kept well within natural and normal lines.

The work of the committee on uniform laws was always carefully attended to under the active guidance of the late Frank W. Tracy, and it is a mournful pleasure to commit this work to his son. There is much left to do, many States not yet coming into line, and enacting uniform laws. In general terms I commend the zeal and intelligent work of all other committees.

I have tried thus to recite in brief what I consider to be the organization's technical and active field of usefulness and endeavor.

A true history of the association and the work of many of its members, however, would probably show that it had a considerable influence in keeping this country on a sound money basis, without which no state can long prosper; and I believe all able and thoughtful men of to-day, with little regard to party, will see to it that in all public discussion, and all considerable public judgment, our present standard (the standard of the enlightened commercial world) shall be deemed to be settled and settled for good. It is for-



STEAMER C. W. MORSE.

tunate for us and for all the people, that in late years the hands of all honest and sensible men have been firmly upheld in this attitude by the strength and integrity of the Government. We have greater wealth and more resources than ever before, and the way we have weathered what has come lately in this unusual period of readjustment, has strengthened my conviction that the panics of 1873 and 1893 can hardly be repeated in this country. This is partly because of very strong combinations in the industrial and commercial world, some of which have overstepped the mark, but which on the whole have contributed more, I think, than anything else to this favorable result.

IMPROVING THE CURRENCY.

One mission given by the last convention to this administration was to work out, if possible, a plan for some currency legislation along simple and well-defined lines, following the action of the currency committee, which reported to the last convention, as is familiar to you all. In this or any other presidential year, however, it were futile to try to interest Congress in any needed amendments to the National Bank Act. It was not an opportune year. I have not mourned as much as some, believing more in good practice and a sound public opinion than in any law. It was however, as I say, kicking against the pricks to try to get any legislation this year. You may think we who tried it were faint-hearted, lacking courage and persistency, but you must bear in mind that to get it from the House of Representatives was literally walking up to the Cannon's mouth.

Of course, with $346,000,000 of demand notes of the Government outstanding, and an enormous stock of silver whose circulation is only enabled by the device of silver certificates, and only a bank currency secured by bonds, we can hardly be said to have a currency system. We sometimes feel as if we should like to be able to say:

> "Our little systems have their day;
> They have their day, and cease to be."

At the same time we are not suffering acutely from the want of a scientific system. We are firmly on the gold standard; level with the whole enlightened commercial world; and as crises do not generally strike all nations at once, this, with our first-rate credit, would put us in better position than we have been in the two recent great crises.

You will listen to able papers on the money question and on an emergency circulation, during this session of the convention, and I am not prepared to say that some plan of emergency circulation may not be of advantage under present conditions, but with any sort of proper system of currency I do not believe in an emergency circulation. An ounce of prevention is worth a pound of cure. I never sympathized with, though I was amused at, a suggestion once made to me that children should be taught to use a crutch at school, so that in case they sprained their ankles they would be prepared to carry it gracefully. I believe in a system sound and strong and reasonable enough to meet every emergency we ought to have to meet; and when exuberant human nature, in finance, in the field of labor, or anywhere else, so exceeds natural bounds as to bring distress, I think the public is only worse off for any elaborate, prearranged plans, to let it out of a bad hole by an easy way. "Speak to us smooth things; prophesy deceit," is a dangerous watch-word in finance. We need the right men for emergencies more than any laws. You had them pre-eminently here in New York in 1893, when you had to bear the brunt of a great financial crisis.

I will not throw the words "asset currency" in here for a bone of contention, but I should be untrue to my own increasing conviction, if I did not say I believe in a credit currency under sharp compulsory redemption, with the same reserves in coin as against deposits, though I think many barriers of ignorance and prejudice must be broken down before we can have it.

A bond-secured currency never did and never can respond to the demands of trade. It is a wasteful system in tying up capital, and it lacks elasticity. It expands and contracts only with the price of bonds. On the other hand, a circulating medium, to be efficient, to be a ready help, needs to be invoked promptly, without displacement of capital; to do its instant work,

and as promptly to be retired. This is its active principle, and these are its essential attributes.

I repeat there is no reason why the reserve against circulation should be less than against deposits, and the redemption of currency should be as certain and prompt as the payment of checks, and it woud be if provision were properly made, and made so the issuer of the currency paid the cost of redemption. This could easily be arranged by contracts with express companies, and the Chicago plan has worked this out admirably.

I by no means advocate or believe in a credit currency for the purpose of expansion. We have abundant circulation; I believe it is redundant today. I believe large reserves, with a proper tax, to accumulate a safety fund for prompt redemption of notes of failed banks and sharp redemption, would work in all periods of rest and readjustment like the present, in healthful contraction of issues. I know such a currency can only come gradually, and as instructed and watchful and intelligent public opinion can understand

Mrs. A. H. Curtis. Mrs. Miles O'Brien. Mr. & Mrs. J. H. Flagler. E. F. Swinney. A. H. Curtis. Jos. C. Hendrix. Hon. Ellis H. Roberts. C. W. Morse. W. B. Ridgely. R. L. Edwards.

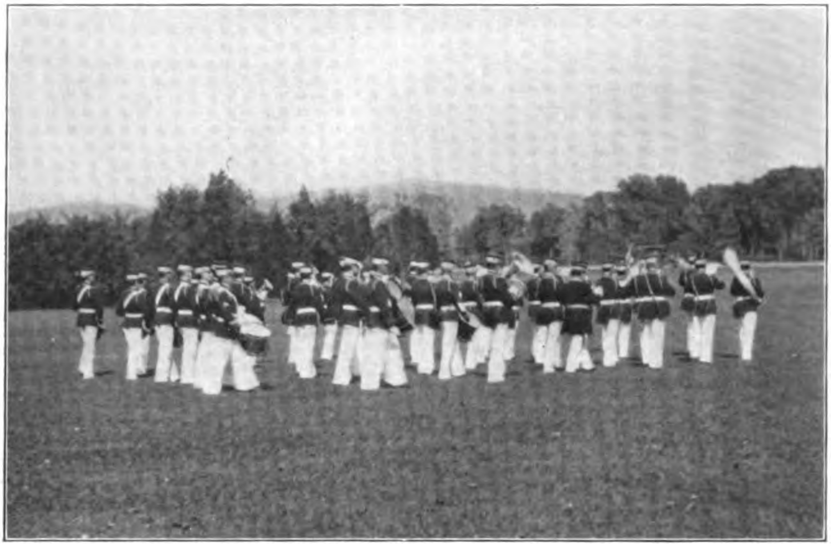
and digest it. I know that it is not popular today. That it will some day come, by the logic of events, and in the very nature of things, I have no doubt.

I would like to think as to amendments and changes in currency laws, that in the not distant future, the Government will begin, at least, to retire the greenbacks, if not more than two millions a month. No tonic could be better than this; it would show that it is the intention of the Government to pay off its demand indebtedness.

I would like to see part of the silver stock converted into subsidiary coins and part of it sold outright; it is a strained and abnormal situation that we have in silver. Everything has been done by practical rules and regulations to minimize the danger of these silver issues, but still they are inherently wrong.

I would repeal the limitation on retirement of national bank notes—If not all at once, I would certainly increase the limit to six millions and afterwards to twelve millions a month, and finally take it all off.

I would allow the Secretary of the Treasury under warrant of law to de-



BAND DRILL AT WEST POINT.

posit all internal revenue, and all customs receipts, in National banks on approved security.

While I think the limitations of the National Bank Act as to strictly commercial banks, in the matter of real estate, are wise and prudent I think, at the same time, small banks in country districts can well be allowed to carry a certain percentage of paper on real estate security, and I think times of trial have shown in this country that such paper so secured has been entirely safe, and as convertible as ordinary investment bonds.

I wish to call your particular attention to a paper that will be read at this convention, on "Banks and Trust Compaines," and I think the recommendations made therein are of very great importance and may well be enacted into law. It will bring under one roof activities connected with our business that now have to be performed by a bank and an annex, and it will require differentiation of reserves, according to the quality and sort of deposit.

SOCIAL AND OTHER BENEFITS OF THE ASSOCIATION.

Over and above all else, the benefit of this association is in its social and human side. We are not enemies, but friends; it is good for us to mix together as we do; to compare notes, picking out the best ones, of course, for purposes of comparison, and keeping back some we now and then get that are beyond compare.

As I draw these reflections to a close, I remind you that it has been well said that our greatest debt to Franklin, one of the very greatest Americans, has been in the lessons of honesty, thrift, temperance, industry and economy which he inculcated, and which have so enormously influenced our social, material and intellectual life. The banker should learn these lessons of self-restraint, of unbroken good humor and cheerfulness under difficulties. He has many opportunities to properly promote good enterprises and to decline to aid doubtful ones. He has a right thus to build up his own business and that of the community where his lot is cast; and if he does it efficiently he will have many experiences in times of stress and trial to encourage him and show him that the masses of men are inclined to be reasonable, considerate and just. A banker may make friends and keep them in time of need. I close with a short quotation from Robert Louis Stevenson as a sort of benediction.

"To be honest, to be kind, to earn a little, and to spend a little less;

to renounce when that shall be necessary and not be embittered; to keep a few friends, but these without capitulation; above all on the same grim conditions to keep friends with himself—here is a task for all that a man hath of fortitude and delicacy."

I thank the association for its attention.

THE PRESIDENT: We will listen to the annual report of the secretary.

The secretary, James R. Branch, submitted his report as follows:

SECRETARY'S REPORT.

September 1, 1904.

To the American Bankers' Association:

Gentlemen—The protective committee in January transferred its records and work to the secretary's office, without increasing the clerical force, thereby reducing its annual expenses by $5,000. In the past year our detective agents have captured, in different sections of the country, seventy-five professional bank criminals, and convicted fifty-four, the sum total of whose sentences amount to 181 years. This does not include sixteen indeterminate terms, and nine criminals are now awaiting trial. George Collins, who, with William Rudolph, robbed the Bank of Union, Union, Mo., and later on killed Detective Schumacher, was hanged March 11, 1904, at Union, Mo. His partner in crime, Rudolph, is now in jail under sentence of death. This protective work is costly, but of great benefit to our members, and has been one of the strongest factors towards increasing the membership.

FIDELITY COMMITTEE.

The active work of the fidelity committee has largely reduced the cost of fidelity bonds. The best available statistics indicate that the annual saving in the cost of fidelity bonds to our members amounts to considerably over $150,000.

EDUCATION.

The committee of education informs me that it has established twenty-eight chapters of the Institute of Bank Clerks in different sections of the country. The importance of this work cannot be over-estimated, as the increased knowledge of the students naturally redounds to the benefit of the banks who employ them.

UNIFORM LAWS.

The committee on uniform laws has been unflagging in its efforts to have the Negotiable Instruments Law adopted in every State in the Union. Twenty-five States now have this law on their statutes, two States having adopted it this year.

BANK MONEY ORDERS.

The committee on bank money orders has completed its arrangements with the American Surety Co., who guarantee the payment of all money orders drawn on the adopted form, and issued only by members of the American Bankers' Association. A sample of this money order has been sent from the secretary's office to every bank and banker in the United States, with the recommendation that a charge of five cents be made on orders for an amount not exceeding $10, and ten cents for amounts from $10 to $25. From our correspondence, it appears that banks throughout the country are taking active interest in the plan.

ROUTINE WORK.

During the fiscal year ending August 31, 1904, 7,500 special letters and 46,500 circular letter have been issued from the secretary's office.

The membership and resources of the association have increased as follows:

ASSOCIATION'S INCREASE.

	Paid membership.	Annual dues.
September 1, 1875	1,600	$11,606
September 1, 1885	1,395	10,940
September 1, 1895	1,570	12,975
September 1, 1904	7,563	122,929
Interest on $10,000 Government bonds of 1925		$400.00
Making the total income		$123,329

In the past year 500 members have been lost through failure, liquidation, consolidation and withdrawal from the association, reducing the membership September 1, 1903, to 6,443. One thousand one hundred and twenty members have joined since that date, making a net gain over last year's total membership of 620. The aggregate capital, surplus and deposits of members in the association amount to $11,290,686,637. This is without doubt an amount greatly in excess of that represented by any other organization, institution or corporation in the history of the world.

TRUST COMPANY AND SAVINGS BANK SECTIONS.

The Trust Company Section is prosperous, its membership having increased from 453 to 566 in the past year.

The growth of the Savings Bank Section for the same period has been from 500 to 616.

Respectfully submitted,
JAS. R. BRANCH, *Secretary.*

The report of the secretary was accepted.

The treasurer, George F. Orde, submitted his report as follows:

TREASURER'S ANNUAL REPORT.

The treasurer, George F. Orde, submitted his report as follows:

CHICAGO, Ill., September 1, 1904.

American Bankers' Association:

Gentlemen—I have the honor to submit the following report of receipts and disbursements since the beginning of the current fiscal year, viz., September 1, 1903:

TO CASH. Sept. 1, 1903.	
Standing protective committee	$38,803.06
Committee on fidelity insurance	4,983.30
Committee on education	9,345.15
Committee on uniform laws	165.56
Committee on currency	35.00
Committee on bank money orders	2,106.14
Committee on internal revenue tax	1,977.85
Trust Company Section	1,737.87
Savings Bank Section	924.23
Salaries	16,117.22
Expenses San Francisco convention	2,123.72
Proceedings, 1903	5,184.78
Distribuing proceedings, 1903	1,429.79
46,500 circular letters	111.48
Stamped envelopes	1,218.10
Sundry expenses	278.80
Printing, stationery, etc	578.13
Expenses of executive council meeting, New York, April 27 and 28, 1904	3,574.00
Rent	3,100.00
New York Telephone Co	168.75
Petty cash	100.00
Traveling expenses of secretary	341.00
Premium on officers' bonds	62.50
Draft of People's Savings Bank, Woonsocket, R. I., checked back, they having remitted while draft was in transit	10.00
Account drafts deposited August 31, 1903	10.00
Drafts charged back (442) account dues year 1903-1904	4,390.00
Balance, August 31, 1904	102,397.74
Total	$201,274.17

BY CASH. Sept. 1, 1903.	
Balance	$72,382.47
Interest on $10,000 four per cent. Government bonds, 1925	400.00
Proceeds sale of two copies of trust company forms	30.00
Five-pound note paid account Dr. Geo. L. Marsland	24.20
Paid by Philadelphia Chapter account expenses of Wm. Sherer, American Institute of Bank Clerks	9.50
Check returned by Geo. F. Orde, account committee on education	10.00
Dues from 1,120 members 1903-04	10,038.00
Dues from 2,836 old members paid in advance for 1904-05	50,950.00
4,409 bills for membership dues for the ensuing year deposited with the Northern Trust Co. Bank, Chicago, Ill. (subject to deduction of unpaid bills)	67,430.00
Total	$201,274.17

Balance, August 31, 1904 .... $102,397.74

The National Bank of Commerce, New York, holds for account of the American Bankers' Association, $10,000 United States Registered four per cent. bonds of 1925, at a market value of $13,500.

Respectfully submitted,

GEO. F. ORDE,

Treasurer American Bankers' Association.

THE PRESIDENT: The treasurer's report will be received. Its proper disposition, I think, is to refer it to an auditing committee, composed of Mr. William George, Mr. C. B. Mills, and Mr. J. R. McAlister.

It was so ordered.

GEO. F. ORDE, *Former Treasurer.*

RALPH VAN VECHTEN, *Treasurer.*

THE PRESIDENT: The next in order is the report of the executive council by its chairman, Mr. J. L. Hamilton.

REPORT OF THE EXECUTIVE COUNCIL, BY THE CHAIRMAN, JOHN L. HAMILTON.

Mr. President and Members of the American Bankers' Association—It is the custom, and custom makes it the duty, of the chairman of the executive council to make a report to the association. However, by the time that he has been reached the work has been usually well covered, and there is nothing much for him to report except a repetition of what has been said.

WORK OF THE SEVERAL COMMITTEES.

This year's work has been unusually successful for the interests of the association and its members. Every committee has done all that has been in its power to push forward the work assigned to it, as the results will show by the reports.

The committee on uniform laws has been pushing its work in the different States where there has been an opportunity for work to be done, and it has been meeting with encouragement. The results of the work of this committee must necessarily be slow as it has to deal with the Legislatures of the different States and these bodies are slow to act, as any one knows who has had anything to do with legislation. This committee deserves great credit for its perseverance and its policy that under no circumstances will it use questionable means for the accomplishment of its purpose.

The committee on currency legislation has worked for the interests of the members of the association, and to it is due great credit for the fact that no vicious legislation has been enacted during the past year.

The fidelity insurance committee during the past year has gathered statistics as heretofore and has been unusually busy in answering inquiries, both from members and non-members, asking for copies of the association form of bond. As will be shown by its report, this is an important work in the estimation of the members of the association.

During the past year I have been thrown in closer contact with the educational committee, and I find that it is doing a great work, not only for the association and its members, but for the financial interests of this Nation, and is educating financiers who will soon be the peers of the financiers of the world. The different chapters, or institutes of bank clerks organized by this committee are the greatest practical, financial, educational organization in the world, and their publication, "The Bulletin," should be read by every bank employee as well as every employer in the association, as no one can read it without being benefited. The last meeting of the institute was held in St. Louis, and it was a decided success.

The committee on bankers' money orders, appointed by a resolution adopted at the San Francisco Convention, carefully considered the question and prepared a report that was submitted to the executive council at its April meeting, and in pursuance with the recommendations of the committee a new committee was appointed to prepare a form of order and to enter into a contract with a surety company to guarantee these orders. This was done, as will be shown by its report, and those orders can now be had on application, and issued only by members of the association.

The protective committee I have reserved for the last, and I regret that I am not permitted to give the names of the three gentlemen who are its members. This committee, I believe, has the most trying work of any committee in the association, and to it is referred the most trying questions for consideration. Upon their judgment depends the success of this movement, and being conscientious men they have devoted much of their valuable time to the interests of the work. They have, by their reorganization, been able to save thousands of dollars in the management of this department, at the same time maintaining the effectiveness of the work.

I do not believe that the members generally appreciate the work that is being done by the different committees of the association, and I would suggest that when the reports of the convention are published you read carefully the report of each committee, the speeches and other proceedings, and I believe you will be surprised to learn that there is no better financial history written than the proceedings of the association.

We have been pushing forward the work of making a closer organization of the members of the association and in this work we have been assisted by the vice-presidents of the different States who have appointed representatives in each of the Congressional districts and they in turn have appointed live men in every county who are working to further the interests of the association. I only regret that I have not had the time to prepare and report a list of the names of the bankers who are now actively engaged in furthering the interests of this association, but I expect to be able to make a complete report of these names in the near future.

AN ECONOMICAL ADMINISTRATION FAVORED.

The expenses of the association are necessarily large, as you will note by the reports of the secretary and treasurer, and while we have a large income from dues of the members of the association, yet we should be careful in the amount of our appropriations, as there is a tendency towards extravagance in expenditures that should be stopped, and I think there should be a standing auditing committee to whom should be referred all expenditures.

The association was never in better working condition than at the present time. There is not an officer, a committee or anyone to whom has been assigned special work who is not putting forth his best efforts for the association.

At the regular annual meeting of the executive council of the American Bankers' Association held in New York, Mr. Clark Williams, of the United States Mortgage and Trust Company, New York city, was elected to fill the vacancy caused by the unexpired term of Mr. William G. Mather. Mr. Gris-

wold presented a resolution for an act to amend the Negotiable Instruments Law relative to the payment of forged checks after one year has elapsed.

Appropriate resolutions were offered regarding the death of Mr. Robert R. McCurdy, former member of the council, also Mr. Morton McMichael, a former president of the association, and Mr. Frank W. Tracy, chairman of the committee on uniform laws.

In pursuance of the recommendations of the bankers' money order committee the chairman of the executive council appointed Messrs. A. B. Hepburn, Joseph Chapman, Jr., F. H. Fries, William H. Porter and James B. Forgan as a committee on bank money orders, who were given the necessary authority to employ competent legal assistance and put the feature of the association into practical operation.

MR. HAMILTON (continuing): At the meeting of the executive council the following resolution was presented by Mr. R. L. Crampton of the National Bank of the Republic of Chicago:

Mr. James R. Branch, Secretary American Bankers' Association, Hanover Bank Building, New York City.

Dear Sir:—Desiring to introduce the following resolution at the annual convention of the American Bankers' Association to be held in New York city, September 14, 15 and 16, it is now filed with you, to conform with article VII, section 1, of the constitution:

Resolved, That this association authorize and provide a form of international travelers' check, to be issued by its members, and that the president of this association appoint a committee of three members to serve for three years, for the purpose of devising a system to carry out the object of this resolution, and putting said system into active operation as soon as practicable, on a basis which will insure the greatest convenience as well as the largest measure of security to the holders of these checks.

Kindly lay the above matter before the members of the executive council for their consideration and recommendations.

Yours very truly,
R. L. CRAMPTON, *Assistant Cashier.*

The council recommends that this be referred to a committee with power to act, and I move that this committee be appointed in pursuance of the recommendation of the council.

THE PRESIDENT: The motion is that the Chair shall appoint a committee of three with power to act.

The motion was seconded.

Mr. HOWLAND, of Barre, Vermont: Mr. President, I would ask the executive council if that committee would consider the matter of foreign exchange.

Mr. HAMILTON: Yes.

The question was taken and the motion was agreed to.

THE PRESIDENT: The appointment of the committee will be made later.

The following resolution was offered by Mr. Robert J. Lowry of Atlanta, Ga.:

The secretary read as follows:

The National Business League have for years been endeavoring to better the consulate service of the United States, and to that end the commercial organizations and the manufacturing and commercial interests generally of the country have used their best endeavors to secure the enactment of the Lodge Bill, so called, originally designed as Senate Bill 2,261 and House Bill 7,097, for the reorganization of the United States consular service, which bill, in brief, contains the following provisions:

1. Substitution of salaries for fees.
2. Improved classification, or grading, and transfer of consular officers.
3. Adoption of the "merit system" in the selection of consuls.

4. Consuls must be familiar with either the French, German or Spanish language, and possess a knowledge of the commercial resources of the United States, with reference to the possibilities of increasing and extending the trade of the United States with foreign countries to which they are accredited.

5. Consuls shall be eligible for promotion.

6. Tenure of office to continue only during efficiency and conduct of the highest grade; therefore, be it

Resolved, That the American Bankers' Association is deeply interested in everything that tends to better the commerce and manufacturing interests of our country; and the bettering of our consular service is of vital importance, and it is absolutely necessary that a better class of men—men who are conversant with all the products and the language of the country to which they are accredited—be appointed, so that they will be enabled to make such reports to our Government as will allow manufacturers and others to take advantage of the wants of the countries to which they are appointed; then to become thoroughly conversant with the products of these countries, of such products that can be used in our country at a profit, thereby building up our trade on a reciprocity basis, which will take much of our surplus products of all kinds, and increase in that manner not only our trade but give employment to a large shipping interest, which we sincerely trust will be built up on such principles as to make it a permanent feature. It is a fact that many of our representatives abroad are appointed through political pull or other influence, having no regard to their fitness for such positions. If a merit system prevails, we will soon have a better consular service, which will be worth millions and millions of dollars to our great country.

MR. HAMILTON: The council recommends the adoption of the resolution, and I move that it be adopted.

The motion was agreed to.

Mr. Hamilton read as follows:

PROPOSED AMENDMENT TO ARTICLE IV., SECTION 1, CONSTITUTION OF THE AMERICAN BANKERS' ASSOCIATION.

So that the same shall read as follows:

The executive council shall appoint a standing protective committee of three persons, whose names shall not be made public. The said committee shall control all actions looking to the detection, prosecution and punishment of persons attempting to cause, or causing loss to any member of the association, either by loans upon false statements or any other form of crime.

This proposed amendment is submitted under instructions from the New York State Bankers' Association by the delegates of that association to the convention of the American Bankers' Association.

Lewis E. Pierson, A. D. Bissell, M. S. Sanford, D. M. Pratt, W. I. Taber, W. H. Rainey, R. A. Patteson, H. L. Crandall, Delegates.

MR. HAMILTON: In pursuance of the wish of the council, I move that this resolution be laid upon the table.

The question was taken and the motion was agreed to.

MR. BISSELL, of Buffalo: Mr. President ——

THE PRESIDENT: The motion has already passed.

MR. BISSELL: I think I was on my feet.

THE PRESIDENT: May I ask whether you wish to approve this motion?

MR. BISSELL: In reference to this motion, yes sir.

THE PRESIDENT: I will ask that you be as brief as you may be.

MR. BISSELL: I will be. I represent the New York State Bankers' Association and they favor the passage of just such legislation as is not recommended by the executive council.

THE PRESIDENT: I think the convention understands that the object is well intended.

MR. BISSELL: I just wanted to say that word.

Mr. Hamilton read as follows:

Whereas, at the last session of Congress there was introduced by Congressman Gaines, of Tennessee, a bill to secure clean money, which provided that expressage both ways on mutilated notes for redemption should be paid by the Government, and which failed of adoption, Therefore, in order that a source of contagion, long a menace to the public health be eliminated, be it

Resolved, That this association record its hearty approval of the above bill, and instruct the executive council to have the measure re-introduced at the next Congress and endeavor to secure its adoption.

The above resolution is introduced under instructions from the New York State Bankers' Association by the delegates of that association to the convention of the American Bankers' Association.

Lewis E. Pierson, A. D. Bissell, M. S. Sanford, D. M. Pratt, W. I. Taber, W. H. Rainey, R. A Patteson, H. L. Crandall, delegates.

In accordance with the action of the executive council, I move that it be referred to a committee of five to be appointed by the chairman, and when in proper shape that it be endorsed by the association.

THE PRESIDENT: The theory being that all proper steps should be taken to secure clean money.

The question was taken and the motion was agreed to.

MR. HAMILTON: The next is a communication, which I will ask the secretary to read.

The secretary read as follows:

James R. Branch, Esq., Secretary, American Bankers' Association, New York City.

Dear Sir:—In accordance with article VII, section 1, of the constitution of the American Bankers' Association I hereby submit the following resolution to the executive council for consideration.

Resolved, That the president of this association appoint a committee composed of not less than three nor more than five delegates in attendance upon this convention, the duty of which committee shall be to devise and prepare a cipher telegraphic code for the exclusive use of the members of the American Bankers' Association, adequate in scope for practical banking needs, so designed as to permit its free use by said members of said association without subjecting them unduly to the danger of loss through fraud, and that upon the completion of said code it be delivered to the secretary of the association who shall immediately have same printed in convenient form, and shall thereupon further furnish a numbered copy of the code as thus prepared to each member of this association with full instructions as to its proper use and care, requiring from each bank thus receiving a copy of the code its receipt for same upon delivery together with its agreement to keep same in a safe and private place when not in use and to return by registered mail said copy of code immediately upon its ceasing to be a member of this association.

It is my desire to have this resolution presented to the convention of September 14-16th, 1904, for action.

Very respectfully yours,

F. F. BLOSSOM.

MR. HAMILTON: The council recommends that a committee of three be appointed with power to act. I move the adoption of the recommendation of the council.

The motion was seconded and agreed to.

THE PRESIDENT: The next business is the report of the protective committee.

The secretary read as follows:

REPORT OF THE PROTECTIVE COMMITTEE.

Detailed financial statement of standing protective committee for 1903-04.

RECEIPTS.

October 23, 1903, by appropriation of executive council at San Francisco, Cal.	$18,000.00
April 28, 1904, by appropriation of executive council at New York city	25,000.00
	$43,000.00

EXPENDITURES.

September 1, 1903, debit balance		$435.30	
Pinkerton National Detective Agency, expenses incurred prior to September 1, 1903		4,520.62	
Pinkerton National Detective Agency, expenses from September 1, 1903, to August 31, 1904		32,074.47	
Salaries to January 31, 1904		1,683.10	
Petty cash		20.00	
J. H. English & Son, 5,000 confidential books	$74.00		
1,000 reports of committee and express charges to San Francisco	116.20		
		190.20	
T. Hanrahan & Co., 1.500 aluminum signs and chains		187.50	
Yawman & Erbe Mfg. Co., white cards, rodless tray and cabinet		40.92	
E. V. Brokaw & Bro., minute book		5.25	
S. W. Pennington, cash account forgery matter Albia State Bank, Albia, Iowa		75.00	
Cartage		6.00	
August 31, 1904, balance		3,761.64	
			$43,000.00
Credit balance, August 31, 1904			$3,761.64

Cost per member, September 1, 1903, 6,943 members, $5.50.
Cost per member, September 1, 1904, 7,563 members, $4.53.
4,674 reports received and filed since September 1, 1903, to August 31, 1904.

Respectfully submitted,

JAS. R. BRANCH, *Secretary*.

THE PRESIDENT: The report of the protective committee will be received and placed on file, if there is no objection.

The convention will listen to the report of the committee on fidelity insurance, of which Mr. Hamilton is chairman.

MR. HARDY: Mr. President, I am requested by Mr. Hamilton, chairman of this committee, to present the committee's report to the American Banker's Association.

REPORT OF THE COMMITTEE ON FIDELITY INSURANCE.

Your committee on fidelity insurance desire to report that, having been continued by a resolution offered by Mr. Cooke, of Kansas City, which was referred to, and favorably reported by, the executive council and unanimously adopted by the convention at San Francisco, we have in our work endeavored to follow closely the intent of the original resolution adopted in Denver in August, 1898, as follows:

"Resolved, That a committee of this association be appointed to inquire into the rates of surety bonds and to recommend a standard form of policy, and to consider any plan or plans that may be submitted."

Under this instruction the committee has from its inception reported to the association the rates that were being paid. These rates we found varied greatly to banks under substantially similar conditions. This year we have continued to make inquiries, and find that the rates have become more uniform on bank risks, and that there has been no material change during the past year, the average rate now being paid being $3.04 per thousand, or 85 cents per thousand less than at the time of the appointment of this committee.

This reduction in the rates for fidelity insurance is more than the entire annual dues paid by members for the support of this association. This committee has never assumed to recommend a rate, but has reported the rates as they existed from year to year. The members of the association are carrying $145,-196,528 of fidelity bonds. The amount of premiums paid annually is $434,475.12, and the number of employees covered by such corporate suretyship is 18,598. Of this number 5,579 are bonded under the American Bankers' Association copyrighted form of bond, a gain of 25 per cent. over the previous year, showing a growing appreciation of this bond.

In pursuance of the original resolution, we had a form of bond prepared that is most equitable for the insurer and the insured. This bond is so drafted as to comply with the insurance laws of the different States and to give protection to those using it.

This form is copyrighted for the exclusive use of the members of the American Bankers' Association. It has been formally adopted by the association, and for four years has been steadily growing in favor, and so far as we know has never been the subject of litigation. We are again obliged to report that in some cases companies are writing this form of bond only after persistent attempts to furnish their own forms, and some are insisting on the insured making warranties in the application blank as a basis of the contract. This makes a conflict in the terms of the policy and is liable to involve the bank accepting such insurance in litigation and possible failure to recover in case of loss. Our members cannot too carefully guard against any attempt to substitute an application blank containing warranties for a cash premium as a basis for the insurance.

Numerous plans have been submitted to this committee, all of which have received careful attention and consideration. It has been suggested that we recommend some one fidelity insurance company to which the business of the American Bankers' Association be given, the company giving a portion of the premiums received to the association as a commission for securing the business. The committee has, from the first, thought that this was not a safe course for the association to pursue, as practically all fidelity insurance companies are writing risks more or less hazardous, in addition to the bonds of bank employees, and are in no way accountable to the association either in the conduct of their business or character of their investments. The wisdom of this position is proved by the fact that some of the companies had to be practically reorganized since this matter was first brought to the attention of this committee, and one of the state associations that has adopted this or a similar plan is now embarrassed by the contesting of claims, and the members are making the plea that the association, having received a portion of the premiums, should take an active interest to enable them to recover the amount of their loss.

We have had suggested for consideration a plan of organizing a stock company, the stock to be taken by members of the association, but the same objection referred to above—the recommendation of any one company—would apply to a new company. No company owned in whole or in part by bankers should be organized with the purpose of making a profit on the fidelity insurance of bank clerks.

The plan of mutual assessment insurance we have never considered safe, and the uncertainty of collecting the assessments, should the losses become frequent, would make the bonds practically worthless as security for banks.

Your committee has again carefully considered the question of fidelity insurance in all its various forms and is firmly convinced as before, that the best and most feasible plan, which covers the ground and combines the element of safety, is the one recommended at the New Orleans and San Francisco conventions, namely: the creation of a guaranty fund for the benefit of the members contributing to the same, under the management of trustees. The idea contemplated in this plan is the original collection of premiums at a reasonble but sufficient rate to cover the risk and to create an ample surplus in the guaranty fund, involving no liability to any one other than the premium paid.

It is not an untried experiment, for it has been in successful operation in England for thirty-nine years under the Bankers' Guarantee and Trust

Fund, and for thirty-eight years under the Colonial and Foreign Banks' Guarantee Corporation.

The number of employees bonded in the English Bankers' Guarantee and Trust Fund is 15,806. The number bonded in the Colonial and Foreign Banks' Guarantee Corporation is 6,975. While the number of employees bonded under the Bankers' Guarantee and Trust Fund is somewhat smaller than the number of employees of members of the American Bankers' Association covered by corporate bonds, yet the average amount of the bonds is almost identical, and the average loss has been practically the same. The success of these foreign companies can best be shown by the following figures taken from the published official reports of the Bankers' Guarantee and Trust Fund:

Year	No. emp.	Prem pd.	Amt. loss.	Amt. res.
1900	15,473	$49,203	$25,984	$870,964
1901	15,651	47,652	46,748	890,870
1902	15,897	46,813	33,539	923,356
1903	15,888	40,325	21,864	963,829
1904	15,806	37,058	9,522	983,969
Total		$221,051	$137,657	

It will be noted by these figures that there has been an increase in the reserve of this British company of $113,005 during the past five years, after meeting all losses and paying all expense of management; that the amount returned in losses is $137,657. In other words, the amount returned in losses and the amount of increase of the fund held for the bank employees is $29,611 greater than the amount that they contributed during these five years, while in America we are contributing at the rate of over $434,475.12 a year, or in five years upward of $2,172,375.60, and the only return to show for it is the amount recovered when there are losses, and these we have shown are comparatively few.

The Colonial and Foreign Banks Guarantee Corporation from its beginning has issued 17,262 policies. It has in force at the present time 6,795 policies, and during the last year rebated to the policyholders $59,203, in addition to setting aside $19,520 for depreciation of securities, and yet increased its reserve fund to $942,600. This company only requires a payment of $11 per thousand for insurance, divided into four annual payments, and no further premiums are required.

These English companies bond the employees of hundreds of banks in England and in the British possessions.

In addition to the above funds there are private funds created by the Bank of England and other leading banks for the bonding of their employees. These departments have been in successful operation, some of them since 1841, and in no instance have more than five annual premiums been required, this amount being sufficient to meet all losses that have occurred.

On this side of the Atlantic the Canadian banks have for years maintained fidelity funds with equally satisfactory results.

The plan of creating a trust fund in the hands of trustees has therefore proved a success, and our attention has been directed to no specific case where such fund has not been successful. As before stated, the various companies have been in successful operation in England and her colonies for nearly half a century. We might add that in this country the employees of several of the leading express companies are successfully bonded under the same plan; that some of the railroad companies are maintaining pension departments, in which subscriptions are received and credited to the fund in this manner, and that the Jewelers' Association has a protective organization similarly controlled.

After careful consideration of all the plans the committee has no hesitancy in recommending this as a proper one for the association to adopt. Should the convention adopt the recommendation of this committee, we have, as a part of the plan reported, prepared rules and regulations for the government of such a fund, similar to those that are now being used by the guarantee funds in England, changing them sufficiently to meet the conditions in this country.

During the year the committee sent inquiries to all the banks in the

United States, asking for an expression as to whether or not they approved the recommendation of the committee made at the San Francisco convention. The result of our inquiries is as follows: From the non-members of the association we received 4,033 replies. Of this number 3,971 favored the plan while 62 were opposed. From the members of the association we received 4,041 replies. Of this number 3,139 were favorable to the recommendation of the committee and 389 were opposed, while 513 were indifferent. 2,313 did not answer our inquiries. Most of these, however, are brokers and small bankers who are not interested in this movement. There were 796 bankers who favored the recommendation of the committee in 1903 and 15 opposed who have not answered this year.

It is the belief of this committee that the adoption of this plan and the amendment of the constitution of the American Bankers' Association is an important step, and one that should be taken for the strengthening of the association and the protection of its members.

Many bankers seem to labor under the impression that they are bound to accept this form of protection if adopted by the American Bankers' Association, or they would in some way become individually liable. This is not true. In no way can liability attach to any member of the association, whether accepting this form of indemnity bond or not, and the acceptance of such indemnity from an employee would carry with it no more risk than would accompany an individual or corporate bond.

Again, some bankers think that the association is by this amendment launched into the insurance business. This would not be the case. The association for and on behalf of such members as choose to join in the fund, engages simply to name the trustees and audit the accounts of the fund.

Assuming it to be the wish of the association that the matter be again considered, your committee has filed with the secretary the amendment to the constitution presented at the San Francisco convention for such disposition as the association may deem best.

Respectfully submitted,
JOHN L. HAMILTON,
CALDWELL HARDY,
F. H. FRIES,
W. P. MANLEY,
A. C. ANDERSON,
Committee on Fidelity Insurance.

PROPOSED AMENDMENT TO THE CONSTITUTION.

MR. HAMILTON: The following amendment to the constitution was presented to the executive council by the fidelity insurance committee:

(Reading): An amendment to the constitution of the American Bankers' Association, presented by the fidelity insurance committee. An amendment to article 3 of the constitution of the American Bankers' Association by the addition of section II:

Sec. II. The executive council shall appoint a board of five trustees for the management and administration of a fund to be known as "American Bankers' Guaranty Fund." Said fund shall be established for the purpose of enabling such of the members of this association and their employees as may elect to become subscribers and contributors thereto and to avail themselves of the advantages thereof to provide, by means of a general co-operation among said members and their employees, a fund from which said members may be reimbursed for losses arising from the dishonest acts of their employees. Said board of trustees shall establish rules and regulations for the government and management of said fund, and the rules and regulations formulated and adopted by the trustees shall be binding upon all the contributors to and beneficiaries of said fund. Vacancies in the board of trustees shall be filled by the executive council, and it shall be the duty of the council to annually appoint an auditing committee to audit the books and accounts of said trustees; but nothing herein contained shall be construed as creating any financial laibility by the association on account of said fund.

MR. HAMILTON: The council at its meeting last evening voted to recommend that it do not pass.

A MEMBER: I move that the recommendation of the executive council be concurred in.

ANOTHER MEMBER: I would rise to move as a substitute that the recommendation be not concurred in, that we do not agree to the recommendation of the executive council.

MR. RANDALL, of Maryland: Mr. President, I think that the usual course when an unfavorable report is brought in is to substitute the original proposition for an unfavorable report. That is the proper parliamentary way to bring the matter before the convention. Now, inasmuch a this proposed amendment comes in with an unfavorable report, the proper way to bring the original proposition before this body would be to move to substitute the amendment to the constitution for the unfavorable report. That would bring the matter squarely before the house.

A MEMBER: That is my intention. I will accept the gentleman's suggestion as the true interpretation of my motion.

THE PRESIDENT: Gentlemen of the Convention—The Chair rules that the motion before the house is that the amendment to the constitution be carried. You are aware that it will require a two-thirds vote.

MR. HARDY: Mr. President, I want to say a few words as to the action of the executive council. I think this is a most important matter.

I imagine that the matter has been before the convention frequently enough for most of the delegates to be more or less familiar with its importance and the purport of our recommendation.

The committee feels confident in the position which it has taken, and the recommendations which it has made. All such matters, however, had to go through a period of probation and the campaign of education carried on before people became absolutely settled in their convictions and their views in regard to it.

So far a we can judge, members of this association have been deeply in favor of the carrying out of the recommendations of the committee; but on the other hand, there has been a strong counter influence against the working of the committee, and I have no hesitation in saying that to a considerable extent, at least, that feeling has been inspired by the bonding companies. That feeling has been strengthened by the natural conservatism of our members against taking any radical steps, the feeling that we should be absolutely certain we were right before going ahead.

You are familiar with the usual proceedings in your board meetings. You bring up a matter of importance for consideration, and while a majority of your members may be in favor of some one proposition, if there is a strong undercurrent of dissent, even on the part of a few members on your board, you usually go on the safe side and pass that matter by. In other words, in taking important steps you want your committee to be a unit, and the committee at least feels that in acting on this matter the American Bankers' Association, if they should see fit to adopt it, should be as nearly a unit on the subject as possible.

There has never been a committee in my observation of the affairs of the American Bankers' Association that has been more fiercely attacked than this committee has, and the committee has the gratification of having it come to their knowledge that at least one member of the bonding company said that it was the hardest committee they had ever run up against

because it was indifferent whether they carried out their project or not. In other words, it has had no axe to grind, seeking to serve the interests of the association, and it has been satisfied to abide by the action of the association, whatever that action might be.

We have actually had our pulse felt as to whether there was any graft in the situation or not. They found out that there was not.

Now, I have a letter here, which the Comptroller of the Currency wrote to the chairman of our committee recently, which will give you some idea of the value that he, at least, sets upon the work already done in the preparation of the form of bond that is coming in vogue among the members, and to which the bonding companies have been so averse. I will read this:

Mr. John L. Hamilton, Chairman Fidelity Committee, American Bankers' Association, Hoopeston, Illinois.

Sir:—In the management of the affairs of an insolvent National bank, this office has experienced much difficulty in collecting from surety companies the amount guaranteed by them to secure the faithful services of National bank officials.

The bonds have usually been written upon forms prepared by attorneys for the surety companies, in which the interests of the company appear to have received exclusive consideration. Many of them had been conditioned upon the accuracy of a printed statement, to be signed by officers of the bank, couched in such language as to mislead the officers as to its legal import. Some have contained provisions in the nature of warranty as to the examination of accounts to be made and supervision to be exercised over the conduct of the guaranteed officials, practically defeating the whole purpose of the bond.

With a view of endeavoring to encourage National banks to require their officers to furnish bonds of uniform character and so drawn as to furnish indemnity against their fraudulent acts, I desire to join in recommending for their use the standard form of bond approved by the American Bankers Association. This bond seems to be clearly to protect the bank against the dishonesty of its employees, and contains all reasonable provisions guarding the surety company against imposition by the bank. I believe its general use will result in banks obtaining the security stipulated for, and which under many bonds now in use is not afforded.

In this connection, it may be stated that it is the policy of this office, in cases where it requires fidelity bonds to be furnished, to patronize only such companies as have manifested a disposition to discharge the obligations of their bonds when no legal defence exists. A few companies, as appears from the experience of this office and in cases contained in the legal reports, have shown a tendency to evade their liabilities, apparently indifferent to any effect upon their reputations from such policy. As the selection of a fidelity company is usually left to the employee, who is not interested in the character or the reputation of the company to be selected, but cares only for the premium to be paid, it is obvious that the insured does not have that protection from a desire on the part of the company to establish or maintain a reputation for fair dealing, which belongs to one insured in an ordinary fire or life insurance company. Bankers are pre-eminently interested in observing and properly appreciating credit. It is suggested that a careful discrimination in the selection of the fidelity committee as to its credit for prompt payment, based upon its record, is the only remedy for the evil referred to, and would result in the prevention of much injustice in the future.

Respectfully,

WM. B. RIDGELY, *Comptroller.*

The executive council has seen fit to recommend that the recommendation of the committee be not adopted. The members of the committee appreciate probably more fully than you do the responsibilities which they

would assume in prosecuting this work. In view of the fact that the executive committee has made its recommendation and that that recommendation would relieve the committee of further care and responsibility, it is perfectly acceptable to the committee to accept that verdict, and I wish to second the recommendation of the executive council and to ask that the committee be discharged from further consideration of the matter.

MR. EDMUNDS, of Baltimore: I wish to call attention to two sentences in that letter. The statement is made that the selection of a bonding company is left to the employee. It is not so in Maryland. Is it so in other localities—that the selection of the bonding company is left to the employee? I never heard that before. The other statement is this: He recommends the form adopted by the American Bankers' Association, and says that now bonding companies do not furnish that form. We have that form—the form that the Comptroller recommends.

THE PRESIDENT: It seems to me that we are about to take a vote upon the substitute motion or bring this amendment to the convention. That would require a two-thirds vote. You have heard the report and the remarks made.

MR. SUPPLEE, of Maryland: Mr. President, I will yield to no man in admiration of the work that this association has done for thirty years. We of the younger generation have read its reports as religiously as we have Holy Writ. It would be to add a "perfume to the violet," "to paint the lily," "to gild refined gold," to say a word, and I only wish to say that for conservatism this association has no equal on the continent. Now we are at the parting of the ways. A convention that for conservatism has no equal proposes to launch out upon a field the most hazardous in the entire domain of insurance. Is there a gentleman here who will doubt it? I will tell him that last year was the most disastrous for surety insurance, while the most successful for the general business of the United States. One company disappeared in the hands of a receiver, although well conducted; two companies had their assets cut in half in order to show a surplus.

(Mr. Hardy arose.)

MR. SUPPLEE: Do you wish to know who I am?

MR. HARDY: No; I wish to ask a question. Were those losses incurred by bonding the general contractors or were they incurred by bonding bank clerks?

MR. SUPPLEE: They were largely by bonding bank clerks. The percentage of bonding of bank clerks this year has been the largest for the past fourteen years.

Hear me for my cause. I am here to state that the company I have the honor to be connected with paid more losses every year for six years than the committee has reported for the entire nation. You reported at San Francisco $45,000 of losses. I am here to say that we signed checks for more than that, for bank clerks.

We have accepted, as the gentleman has well stated, your form of bond, and are ready to write it anywhere. I stand here representing $30,000,000 capital engaged in this which will soon be a disappearing industry unless there is a halt called and there shall be found such method that fidelity shall be controlled, that the interest of the individual shall be raised, and we appeal to this conservative organization not to embark in a field which puts you on a par with insurance lawyers, that are now being turned down throughout the nation by insurance commissioners.

A MEMBER: I rise to a point of order. I would ask if the gentleman represents a bank or a bonding company?

MR. SUPPLEE: I represent both.

THE MEMBER: What bank?

MR. SUPPLEE: The United States Bonding and Guarantee Company of Baltimore.

THE MEMBER: What is the bank?

MR. SUPPLEE: The Farmers and Planters. I wish to say in this connection that you cannot do this business without running counter to the laws of the State. Will this great association run counter to the laws of the respective States; will you do it by mail and your agent not be known?

We appeal that you shall stand by your executive council, for it has been known as the guiding force, the balance-wheel of this association for thirty years. They have reported a deficit. We beg that you will stand by their report and not attempt something new and untried.

You may say that it is voluntary. The name of the association will be besmirched if it is a failure; you will have to audit its accounts every year. You are morally responsible whether financially responsible or not. One hundred thousand dollars of the fund will disappear in two years, wiped out by the losses. The notes you will give will be thrown out by the bank examiners because they are not good. And you will be glad to go back to the ancient time.

I am surprised that the Comptroller of the Currency shall lend his name and stationery of the department—and the Secretary of the Treasury has already been written on the subject by conservative banks in Philadelphia—and I am surprised at this juncture that we shall have to meet this question. It was supposed at San Francisco that the matter was killed. But we stand here to-day as bankers, and we should be conservative.

MR. DURHAM, of Illinois: The honesty of the gentleman is to be commended in that he admits very frankly that he is a part of the small, but very acute, opposition to this bill. This committee has investigated this proposition in its home land across the ocean. They have seen where it has been successfully working for years. They present to us this morning a statement that the amount of money we are absolutely and actually throwing away in this matter is twenty times larger than it should be if we were to adopt this system. The gentleman suggests that he thought this matter was killed. It is not killable, gentlemen. It is like Banquo's ghost to disturb many a feast of the bonding companies.

It seems to me it should be unnecessary to advance any arguments in behalf of this move. Like a jug handle, it is all on one side, excepting for the pecuniary interest of men who are now writing this business.

Let us be sane and sensible, let us take this matter up. It is an individual matter with each of us. The committee has recommended a complete, thorough and impregnable bond. Let us adopt it; let us use it.

MR. SULLIVAN: As a member of the executive council I want to say a word as to why this should not be adopted. I am unable to remain a member of the council and permit this large and intelligent assembly of bankers to be stampeded by the fiery oratory of the gentleman from Illinois.

This question is not a new one. It has been frequently before you in the past. and you have invariably set your foot upon it, you have invariably voted it down. Now, then, last evening this proposition was considered

by the executive council, considered religiously, faithfully and earnestly. Two of these gentlemen of the fidelity committee are members of the executive council and one is an ex-president. With all of the influence, personal and otherwise, of the gentlemen, this proposition was unable to receive at the last night's council meeting more than two or three or four affirmative votes. Now, then, I cannot understand the persistency of this fidelity committee in persisting year after year to thrust this proposition on you for your consideration. We do not impugn the motives of the committee, they are intelligent gentlemen, and I believe they are honest; but I do believe that they are certainly misguided. This proposition is certainly not one to be considered by the American Bankers' Association, and in saying this I want to anticipate a question from my friend over here, that I am not identified with any bonding company. I am a banker, pure and simple. In what I say I am not actuated in any manner of means by selfish motives. I think, gentlemen, that if you amend your constitution as provided by this resolution you will go beyond the purposes which actuated the gentlemen in organizing this association thirty years ago. I think you will get yourselves into trouble and you will be badly talked about. Besides, this proposed amendment to the constitution is not in good form. It says: "The executive committee shall appoint a committee of five trustees." For what time? For life? You would not say that, certainly not. If it should be adopted at all it should say a board of trustees to be appointed for three years, or five years, some definite period. Now, then, you all remember, you who were in San Francisco last year, that this proposition brought forth a lot of discussion, and the consensus of opinion was that the recommendation of the committee should not be adopted. You remember that, as you remember how the members of the fidelity committee asked that they be continued for another year.

Now, it is true that the members of this committee have labored intelligently and faithfully, and they have used a great deal of your money in the consideration of this proposition, a great deal, and I consider the money wasted as a matter of fact.

A MEMBER: Who voted it?

MR. SULLIVAN: Who voted it? The executive council, why certainly. The council is prompted by the same motive that you are prompted by, and that others are prompted by; they are prompted by a desire to bring about the best results for the association, and the character of the gentlemen constituting the fidelity committee was such that the council voted the money in the hope that they could by investigation produce something worthy of consideration and adoption. Now, after seven years' investigation they have produced this which you have before you this morning.

Now, gentlemen, I certainly think you ought not to be stampeded in the manner in which it is sought to stampede you this morning. Do not make a false step; do not do that which will will throw discredit upon our association. I move that the substitute as well as the original question be laid upon the table.

A MEMBER: I second the motion.

MR. RIDGELY: Before this motion is put I would like to ask the gentleman's consent to say one word.

THE PRESIDENT: While a motion to lay on the table is not debatable, I am constrained to give the Comptroller of the Currency permission to say a word.

Mr. Ridgely: Mr. Chairman and Gentlemen of the Convention—I have no desire to enter into this discussion. I simply want to say in reply to the gentleman from Baltimore who endeavored to make the insinuation, if not the statement, that the Comptroller of the Currency had taken part in the controversy, that if you will read that letter you will see it does not refer in the slightest degree to the question you have had under consideration here this morning. That letter was written simply as a part of an effort to get the National banks to adopt the form of a bond which will give them proper protection. Its only object is to give them that protection, to call their attention to the differences in the kinds of bonds which are being written, and the circular to the banks and the bank examiners was only sent, and this letter was only written, after we had had a very unfortunate experience with a few bonds. In those cases we were dependent on statements made by the officers and they were so defective in form that one company in particular said: "We won't pay that policy," and gave us no reason why they would not.

The President: Gentlemen of the Convention—Of course I think you will uphold the Chair in the desire to give the Comptroller the opportunity to say what he has. I cannot consider what he has said a debate on the question to lay this whole proposition on the table, which is now before you, and which is not subject to debate. Gentlemen, it is the duty of the Chair to put that motion.

The question was taken and the motion to lay on the table was lost.

Mr. Hamilton: On behalf of the fidelity committee I wish to make an explanation, and as to the remarks made by our friend, Mr. Sullivan, from Cleveland. I am surprised that that gentleman, a member of this council, would come before you with the statement that this committee has endeavored to perpetuate this before this association. The records of the San Francisco convention do not bear him out in his assertion. The executive council at San Francisco recommended that this amendment to the constitution do not pass. This question was discused before that convention and this amendment failed by twenty-nine votes. The action of that convention on the first day practically put this committee out of existence. The following day a gentleman from Kansas City, a Mr. Cooke, with whom not a single member of the committee has an acquaintance, offered a resolution asking that this committee be continued. The chairman required a two-thirds vote to report that resolution to the executive council for their immediate action. The executive council met in pursuance of the request of the gentleman from Kansas City and without the president of the association, who is not a member of the committee, Colonel Fries, a member of the committee, and myself being present, unanimously favored the adoption of the resolution.

If there was any inconsistency anywhere it has been on the part of the executive council. At that meeting they had previously recommended that this amendment be not adopted, recommending a resolution that the committee be continued.

In answer to the gentleman from Baltimore who got up and criticized the figures of the committee, I wish to say that he has spoken from a broad field, including the 18,000 banks of the United States. There has not been a single fidelity insurance company able to refute a single figure made by this committee as reported to this association.

Our figures apply only to the membership of this association, when we make our report.

I will say in justice to that gentleman that the losses this year have been heavier than heretofore, but notwithstanding that they have been heavier they do not represent one-quarter of the premiums paid by the membership of this association.

I will say, further, in justice to those gentlemen, that never since this committee been appointed have they been as prompt in payment of their losses as they have been this year.

I want to say in justice to the Comptroller of the Currency that he was forced to this position from the position taken by the fidelity companies. His experience is the same as that of the different State bank departments. They pay when it is policy to pay and they turn it down if they see fit, and under no form of bond written by the surety companies, with the exception of the form prepared by this committee, are they bound to pay these obligations.

MR. POWERS, of Louisville: Mr. President, being a member of the executive council, knowing something of the operation and work of this committee, I feel, without trespassing seriously upon your time, that I may make some suggestions that will possibly relieve the situation. The gentleman from Illinois who spoke in advocacy of the bond that this committee reported four years ago, and which was adopted by this convention, certainly was without the pale when he undertook to make that the question as to whether or not we should vote for this amendment.

Now this bond has been established by us as our bond; it has been copyrighted; it is used everywhere. Every single solitary guarantee company in the United States is ready to write upon that and none have refused to write.

(Cries of "No!" "No!")

MR. POWERS (continuing): I say distinctly that no party has ever been turned down and sent to another company by reason of their refusal to write the bond we have prescribed.

(Cries of "No!" "No!")

MR. POWERS (continuing): I say, furthermore, that you cannot drag into the question that is now before you, as was attempted to be done in a speech that was made here by the gentleman who read the report of the fidelity committee, the bond question. The attempt in that report is made to give emphasis to what? To the bond. Is that the question here? What have you to do with the bond? The bond is adopted long since and you use it; it is not a party.

Gentlemen, in this report of the committee that was made the whole burden of the song was upon the bond, in the attempt to influence, by circular letters, the bankers throughout the United States.

Each time the executive council has said to the convention, has said to the members of the fidelity committee, "You have made a mistake, and we do not concur in the view you have taken."

A VOICE: On what ground?

MR. POWERS: On what ground? They did it upon the ground of the good of the American Bankers' Association; they did it because they feel that they know that it will only mean failure and disaster and ruin as far as the credit and good sense of the American Bankers' Association of the United States are concerned. They did it upon the high and broad ground that this com-

mittee was never constituted for a purpose such as they have attempted to foist upon this convention, and upon the executive council.

Read this report and read it carefully, and you find that there is not a syllable in there which warrants what you propose to do after you get this amendment through, not one. It has been complained by this committee on the floor of this convention this morning that there was unfairness shown it, that they have been pursued. Gentlemen, I want to say that I had occasion not a great while ago, last April, when the executive council met, when a letter was presented by one of the members of that committee addressed to its chairman, and that chairman adopted it as the action of that committee and read it before that council, undertaking to brand every man who opposed the measures that they had advocated or recommended in San Francisco, as being interested, and people who are swayed, influenced or hired as the representatives of guarantee companies. By reason of that letter I express myself with some degree of freedom with reference to the acts of this committee. I stand here not as the representative of a guarantee company. I stand here in my individual capacity as a member of the executive council. I stand here as a member of this association free from any of the shackles that have been insinuated with reference to the judgment of these people. Do you believe that an executive council composed of thirty-five members is tainted; do you believe they are fair? Do you blieve it was a fair and impartial jury that undertook to try this case and have tried it? They have tried it, I believe, four different times, and rendered the same verdict each time. Will you uphold that verdict or will you be overridden by those who have been worked up most systematically by a committee that says on this floor: "We want to be discharged?" The gentlemen's good faith must be measured by the acts that grow out of the conditions that surround the action of those who undertake to determine the question.

Now, then, in 1900, what did this committee say? I do not want to lug anything into this debate in this discussion that will influence anybody unfairly, but I do ask you to listen to what these gentlemen have said, the record they have made, and if they have stated it fairly in the other reports they have made, then I think I am justified in saying that this amendment should be defeated.

Reading: "We get from many of them expressions favoring the adoption by this association of a similar plan, but the successful operation of it would involve possibly an incorporation of some kind."

Who says that? This committee, these officers:

"Then officers and a suitable staff, experienced in such business, would have to be employed to manage it and a supervision exercised over such a bureau, which would require more time than any member of this committee, or any member of the association, could probably afford to give it. One State bankers' association has entered into an agreement with a surety company by which all its members get their fidelity insurance written at a moderate and uniform rate."

When did they say that? In 1900. They thought the machinery was too cumbersome; they thought it was too expensive; they thought it meant something if you undertook to do this. And I think so now. And I will tell you where the difficulty lies. You are undertaking to put on its feet a concern without surety, to maintain it without money, to leave it without any responsible head, making this great American Bankers' Association the

godfather of an institution whose maternity will be denied from start to finish.

I will tell you, gentlemen, that when you undertake this question you have the right to take time enough to think and see what it means. In 1901, what further did they say?

Reading: "In order to ascertain what was an equitable and adequate rate, it became necessary to secure tables of the experience of our own members, which has satisfied that the highest rates were not warranted by conditions, and that while the very low rates might be adequate in especially favorable years or possible for some company enjoying a particularly favorable loss ratio for a series of years, they are probably too low to afford assurance of sufficient income to meet losses in full over a period of years, and this, not because losses consume so much of the premium income, as because expenses take the major part of the receipts."

Now, how are you going to run this institution, how are you going to organize so as to take over all these banks without expense? How are you going to undertake to take care of these people under the committee that is to be appointed every year? That is what the amendment says. Because of the absence of any provision you cannot make it extend over one year.

Reading: "We are satisfied that the lowest rates then granted were made in fierce competition for business instead of as the result of deliberate judgment based on carefully-prepared statistics.

"It is to be noted that while no lower rates are to be obtained than the lowest, three years ago the high rates, then so common, have practically disappeared.

"The publication of the information furnished this committee has therefore tended to establish rates on a more uniform and equitable basis."

Now, what more do you want? Do you insist that you can go into the market and buy stuff and sell it to the farmer, because you are farmer, cheaper than you can get it from a merchant who is a merchant? Who is to run this; who is to operate it? They say you may sue the trustees. They are our trustees. They change every year. There is one set in this year and another set in another year, and so on.

Now, gentlemen, you are supposed to be sensible, cautious, careful prudent men. With such conditions surrounding the paper of your country, and a doubt thrown upon it, I do not think it will pass the discount board very easily.

Now, the report, and the thing that you have been advised was to happen by reason of this amendment is that you ought to have your insurance of your employees for one-third. That is it—that is the statement—one-third! Now, gentlemen, I want to ask just a plain,old-fashioned, question. Is there a man here, is there a banker here, who wants the insurance of the guarantee of what would be a uniform and equitable basis? Now, do you? That is what the committee has said to you. If it means that, it means every bond that is written under this amendment, if one should be formulated and presented, is a straw bond, with not straws enough in it to drink up a good old-fashioned Kentucky mint julep.

A MEMBER: Does the report say that the rate is now equitable or that it is more equitable than before the committee went to work?

MR. POWERS: I will read it again:

Reading: "The publication of the information furnished this committee has therefore tended to establish rates on a more uniform and equitable basis."

Now, listen to this committee. I am taking the evidence of the other side.

This is from the proceedings of 1902, pages 96 and 97:

Reading: "Having now, as a committee, performed the duties imposed upon us by reporting the rates paid by our members for their insurance; having provided a standard form of bond and secured nine surety companies from whom it may be obtained by members; having carefully considered all matters pertaining to this subject; having in the discharge of our duty not only hung out danger signals upon some of the shoals that had been proved dangerous to warn our members from future bitter experiences, but having mapped out courses of safety, we respectfully ask that this report be received and we be discharged."

That is not so very long ago, and that is what they thought then. That is what Mr. Hamilton and Mr. Anderson and Mr. Fries thought; that was their deliberate judgment. They did not think it was so important for the safety and happiness and good looks of this convention that they should have a guarantee company then. They were not extending a paternal regard for you at that time, in this report. That is what they say.

In 1903:

Reading: "The conclusions are that there are two ways for the American Bankers' Association to bond their employees within themselves if they care to do so. The first and least cumbersome in its organization is by the amendment of the constitution so as to provide for the appointment of a board of trustees to establish a protection fund, and, if desired, a pension fund in connection with it. By the appointment of such a board the future liability of each bank is avoided, yet the association controls the trust funds."

Mr. Shorrock: I would like to ask a question so that the matter may be made more plain to me in one regard. The committee have made one very strong point, as it appears to me, which has not as yet been met at all by the members of the executive council. They have made the point that this matter has been adopted in other countries with entire success. That seems to be an important point. Is it a fact or not? I for one would like to have information on that subject, because, apart from what the committee has said in the past, and apart from what the executive council may feel in regard to a particular report, what we had before us is a complete illustration, we think, of the carrying out successfully of this very plan. I, for one, would like to know if those facts they have given us are true. If they are not true, I would like to know in what respect they are unsound, so we can have before us a concrete illustration and not theory. They give facts. Let us see whether they are so or not, and then we can come down from the platform of theory to that of practice.

Mr. Powers: The gentleman's suggestions are not only pertinent, but assolutely along an intelligent line. So far as I can answer them I will do so cheerfully. I want to say that the facts I have been stating have been taken from the committee's report. As to whether this plan they have got has already been in operation for a series of years, and has been successful—you want to know as to that?

Mr. Shorrock: Yes.

Mr. Powers: Gentlemen, the plan as outlined by this committee and the information given us as far as we have been permitted to see behind the curtain, says that in Scotland and in England large and great and wonderful corporations that have existed for one, two, maybe three hundred years, or some of them, bond their own clerks, take care of their own people. They

cite us to the American Express Company, the Adams Express Company, as bonding their own people, and therefore we should bond our own people. Now, is there any man here that thinks there is any analogy there at all?

A MEMBER: That is not the point. The point is in reference to the cases referred to, are they successful or not?

MR. POWERS: I will answer it if I am given time. This running conversation takes a great deal of time, but rest in patience and I will try to answer you.

Now, sir, the Adams Express Company and the United States Express Company, have thousands of men in their employ; they control those men. Why is it they bond them? Because, if a bond were purchased for them it would cost a vast deal of money. In this organization, if this company for whom this is intended, or any institution that had five thousand members or one thousand members, one thousand people to be bonded, they would certainly make a very serious mistake if they did not bond their own people. How would they do it? They would do it by an assessment to pay it. How many banks in the United States do you suppose the employees do pay their own bonds? I undertake to say that no well regulated bank, no bank that is entitled to that high respect which all institutions desire, no institution that puts forward its interests to the public and asks their confidence, undertakes to allow their employees to pay for their bonds.

MR. FISHER, of Brooklyn, N. Y.: I rise to a point of order. I read from the constitution that discussion is limited to thirty minutes for each topic.

THE PRESIDENT: The Chair is of the opinion that that has no application to the question we are considering. That only has to do with practical questions of banking that come afterwards in debate.

MR. POWERS: Now, I am aware that some of you want me to quit, and I am not going to take very much longer.

The banks of England that have been referred to are operated in such a way by their governors that they are absolutely in touch with all their employees—and they have got hundreds of them. Now, you take this association and compare it with any reputable bank in England and see what it would amount to? How many different heads have you got? There you have one head and you have 1,200 or 700 or 800 people in it. Now, how many banks here have twenty-five men in their employ to be bonded? And yet you undertake to liken this to a bank in England that has run for three hundred years that has employees in its institution and the various branches that it has numbering in the hundreds. Now, that is absurd. The very position that these gentlemen take on this subject is absolutely absurd.

Take the Adams Express Company, and you see the absurdity of this proposition in a minute. They can control conditions. But you cannot control conditions. I do not gainsay the truth of what these gentlemen tell you, and I do not think any one of them would attempt to mislead us, but I do attempt to say that you gentlemen cannot come to conditions in England and Canada and undertake to fix conditions for the American Bankers' Association.

What is good in England under this rule is not applicable to this institution. If the Hamilton National Bank, or any other great bank, of this city, should adopt a plan to bond its own people, that would be proper and right and within the scope of its authority; but would you say that a thing that was judicious for them to do was judicious for seven thousand banks to

do collectively? If you do, then your judgment is at variance with what I believe to be the true measurement of good sanity.

This committee have all the plans, rules, regulations and rates of the different banks of England governing such fund. And should this association establish a feature of this kind, we have the information at hand so that it could easily be put into practical operation. We believe we have all the information that is possible to be obtained and recommend that the information be put to a practical use. Has the information been put to a practical use. Up to four years ago the information they got with reference to the bond, with reference to rates, was put to practical use, showing these guarantee companies that we did not intend to pay any price that they might fix, but that the competition should be sharp and if that did not suit us we would undertake to get up something of our own. But not one like this. If you did you would have a peripatetic president of a homeless corporation, as an Irishman said once to me about a railroad—he could not find the officers of the railroad or anyone else, and that seems to me to characterize the condition in this situation.

I want to apologize for having taken up so much of your time. I submit this matter for your consideration as a member of the executive council. I submit it to you for your candid, calm judgment, and then if you say that we shall start this variety show, very good, I am quite content, and I will take a ticket and go in. But you will never bond anybody that belongs to the United States Trust Company.

MR. FRIES: Mr. President, I do not come to argue this question. The committee has not sought to do that at any time and I do not wish to do it now. If I can do so I will pull aside the curtain that Colonel Powers seems to thinks hides something, and in behalf of the committee I would like to read the resolution under which they were originally appointed and for which they stand today:

"That a committee of this association be appointed to inquire into the rates of surety bonds, to recommend a standard form of bond, and to draw any plan or plans that may be submitted."

We have done that, and have done nothing else. And I want to say upon behalf of this committee that the labor has been very arduous. Our conclusions have been reached rather against our original convictions. We have sent one of our men to England to investigate the companies there, and I have in hand the published statements of these companies there which this report covers, showing that if they paid eleven dollars divided into four different annual premiums they carry an indemnity policy for life. That is, therefore, just one-fourth of eleven dollars for five years. Eleven dollars pays for an annual premium for life. We pay three dollars a year for the same amount and pay it for life.

A MEMBER: You are president of the North Carolina Bankers' Association, are you not?

MR. FRIES: Yes, sir.

MR. EVANS: I am secretary.

MR. FRIES: I recognize you.

MR. EVANS: I mailed an inquiry to 206 banks to know the rate they were paying for fidelity insurance. Is that true?

MR. FRIES: I think so.

MR. EVANS: The answers were $17.50 a thousand for fidelity bonds. And yet the gentlemen are claiming that the rates are equalized.

MR. FRIES: I would say in reference to that that the rates have not been lowered, and if the plans are carried out you cannot expect to have less than a three-dollar rate; because we cannot fasten upon the American banker the conditions that obtain, perhaps, in England or in Canada or elsewhere.

I am forced to the conclusion after service on this committee, that this form of insurance is practical. It does not make any difference, and I know it, whether you adopt the plan of the committee or not; but our duty compels us to look into their plan and see it as it is, and if it is working successfully elsewhere we could not do other than report it favorably here.

MR. COOPER, of North Carolina: Mr. President, the different banks have different equipment. Some of them in our State, North Carolina, are doing business in log huts. Some of them are doing business in finely-equipped bank buildings.

MR. FRIES: This does not apply to burglar insurance; it is only for bank clerks. Now, I have nothing more to say. I simply rose in behalf of the committee to make a short explanation. If you want to examine these reports, if you want to draw aside the curtain from them, if there is anything the committee can say to you or for you to enlighten you on this subject they would be very glad to do it; but we do feel like resenting any imputation that there is anything back of the curtain. Everything has been done for the benefit and for the advancement of the association; because we believe it would be the strongest thing that the American Bankers' Association could do—to protect the employees.

Several members arose and addressed the Chair.

THE PRESIDENT: I do not wish to assume to try to cut off debate, but I will ask you to be sharp and bright and quick in debate, because this is a question that has been digested by you all, your minds will not be changed, and the sooner you can come to a vote on this question the sooner we will be able to finish up the other business that is before the convention.

A. C. ANDERSON, of St. Paul: I rise to a question of personal privilege. Reference has been made to the expenses of this committee. The reports show that there has been saved $150,000 per annum, or more than all the dues of this association. How much has it cost?

MR. BROWN, of Texas: I wish to say that I do not think this association can do more than give due heed to the deliberations of the executive committee. We have selected that committee without regard to self-interest of the individual; we have selected it only to consider the welfare of the entire association. They have given the matter more attention than we could possibly give it, no matter how many circulars we have received or how many replies we have given out in reference to this matter. As a matter of fact we have given those replies out probably without very much thought, we have done it in a hurry, and we have sent them out and probably forgotten all about it. Now, this committee have given this careful consideration. This convention cannot do more than be conservative in giving attention to what the committee recommends.

MR. ANDERSON: I would like an answer to my question as to the expense. This has saved $150,000 a year.

THE PRESIDENT: That has been given in all the reports, acknowledgment has been given.

MR. ANDERSON: Two or three thousand dollars, is it?

THE PRESIDENT: I do not remember; you have called the attention of the convention to it. They have those figures.

MR. CHANDLER, of Kansas: The Chair rules we can have all the time we want. I want to say a few words even although everybody leaves the house. It seems to me we have drifted from the subject. It is not a question of abuse of this fidelity committee or defence of them; the question before us is, shall the guarantee companies run the American Bankers' Association or shall we as bankers have the saving of $150,000 a year for our pockets. The gentleman from Cleveland says that this question has been voted down time and time again. I beg his pardon. The American Bankers' Association has had one whack at it; and what did we do? We only lacked twenty-nine votes of having a two-thirds majority. And I appeal to the gentlemen here, shall we save this money or not? The gentleman from Louisville has a great bugaboo about the way it shall be managed. I have faith in this committee; that this committee will manage it all right. I have faith that the bankers are just as smart and just as astute as the hardware men and the lumber men. At San Francisco last year when we discussed this subject, I raised a point about it, and when I returned home I found one of our hardware stores had burned down. The proprietor of the store had $4,000 in the Hardware Association. It was paid promptly. I met the man who managed that side of it, and asked him how he did it. He said: "We charge the regular rates that the insurance companies do and then at the end of the year we have paid our losses, and we rebate." The gentleman was in my office the other day, and I said: "How about your insurance?" He said: "I paid $1.25 and had the one-half of it rebated at the end of the year." Now, shall we let the trust companies, by silver-tongued oratory, tell us our business?

MR. HARDING, of Alabama: Mr. President, I wish to say one word in support of the executive council. I think they have given this matter careful consideration, and I think we should recognize the fact that there is such a thing as a division of labor. Banking is one business, and insurance in all its branches, is another business. The most successful banks are those that are able to stick mostly closely to the banking business. Sometimes they have to go into other business as a matter of self-protection, but not from choice. There has been a great deal said in the last few years on the encroachment of express companies on the domain of banks. That evil has been thoroughly discussed, and I believe the problem has been solved by the recommendation that will be submitted by your money order committee. Now, why should we engage in the insurance business? It is a hazardous business and one entirely separate from ours. I stand here today as a representative of a bank that pays a premium upon the bonds of nearly fifty employees. We are not interested in the remotest degree in any bonding company. And therefore I feel I can speak in an impartial manner. I hope the convention will support the action of the executive council in this matter.

THE PRESIDENT: The question is not upon the report of the executive council, but upon the amendment itself. Therefore a vote of "aye" would be to amend the constitution, providing for this new thing. The vote "no" would be to vote down that proposition.

("Cries of Question, Question.")

MR. BREWSTER, of Rochester, N. Y.: Mr. President, it appears to me that there is only one fair way to get a vote on this question before this body,

and that is to have the Secretary call the roll of the membership, as recorded on the books of the attendance, and that each member, each bank represented by its officer, shall respond yes or no as he wishes. I call for the roll-call.

THE PRESIDENT: Will the gentleman first call for a rising vote and see if a roll-call is necessary?

MR. BREWSTER: Yes.

The question was taken and the motion was rejected.

THE PRESIDENT: The Chair finds it unnecessary to count the vote, it being so clear that the motion is lost.

MR. HILL: If it is in order I would like to move that the committee be discharged.

MR. LAUGHLIN: I second the motion.

MR. DURHAM: Mr. President, it has been moved that the committee be discharged. It seems to me that in view of the fact of the painstaking labor that the committee has given this subject, in view of the fact of the aspersion, which I claim has been cast on this committee this morning, and in view of all they have done and all the labor they have bestowed on this, that we should extend them a vote of thanks, and I move such a vote.

MR. HILL: I accept the motion of the gentleman from Illinois.

MR. POWERS: Mr. President, I desire on behalf of some of the gentlemen who are associated with me, but more particularly on account of the personal association I have had with the delightful gentlemen who composed the fidelity committee, to second the motion, and once more thank them for the magnificent work they have done with reference to bonds. As to their character, it needs no encomium at my hands. These gentlemen stand for themselves, elegant, magnificent, splendid men, but with warped judgment.

MR. SULLIVAN: Just one word, Mr. Chairman.

(Cries of "Question," "Question!")

MR. SULLIVAN: I have one word, and that is this: The gentlemen on the left said that I cast an aspersion on the members of the committee. I inadvertently referred to the expense incurred by the committee. I certainly did not intend to cast any reflection whatever on the members of the committee, and if any gentleman here inferred from my remarks that that was my intention I want to say now that it was far from my thoughts.

(Cries of "Question," "Question!")

THE PRESIDENT: The Chair understands that the motion of Mr. Hill of Missouri is that the committee be discharged with the thanks of this convention.

The question was taken and the motion was agreed to.

MR. HAMILTON: On behalf of the deceased, I wish to thank the gentlemen for their handsome floral tribute.

THE PRESIDENT: I have here a letter from Governor Herrick as follows:

State of Ohio, Executive Chamber, Columbus, September 13, 1904.

Mr. F. G. Bigelow, President, American Bankers' Association.

My Dear Mr. President: I had hoped until today to be present at the opening of the thirtieth annual convention of the American Bankers' Association, but find to my extreme regret that official duties prevent me from leaving the State at this time.

The position of the association in matters of national finance has been such as to commend it to the good opinion and confidence of the people. In the light of recent history we are, I am sure, proud of the emphatic and unequivocal declaration in favor of the gold standard made at the St. Louis con-

vention of the association in 1896. This one unanimous act of the association, regardless of party affiliations, evidences that the bankers are sound not alone on questions of financial policy and good judgment, but that they will never be found wanting when patriotic adherence to national principles is demanded.

Please express my regrets to my friends, the members of the association, and say to them that I hope I will not again be prevented from attending a convention.

Very truly yours,

MYRON T. HERRICK.

The president read a telegram from Mr. Stanzat, as follows:

"DENVER, Colo., September 13.

F. G. Bigelow, President, American Bankers' Association, Waldorf-Astoria, New York.

Greeting from the National Association of Credit Men:—We stand with you for the upbuilding of commercial integrity, the improvement of business methods and the enactment of better laws.

FREDERICK STANZAT, President.

THE PRESIDENT: This has been duly acknowledged.

The Secretary read a letter as follows:

"MR. JAMES R. BRANCH.

"Dear Sir:—The convention of the chapters of your American Institute of Bank Clerks held in St. Louis August 25th, 26th and 27th, with, say, 200 delegates present from all parts of the country, instructed me to voice to you their full appreciation of the far-seeing wisdom that has led your body to father and promote the much-needed educational work in banking among bank clerks. They pledge you loyal and hearty support in the development of this movement and ask for the co-operation, personal services and influence of each member of the American Bankers' Association.

"Yours truly,

"JASON A. NEILSON,

"*President New York Chapter.*"

REPORT OF THE COMMITTEE ON CURRENCY LEGISLATION.

The Secretary read the report of the Committee on Currency Legislation as follows:

Your committee, appointed by the president of the association, makes the report that its work has been limited to getting a general idea as to the disposition at Washington in regard to any bill that would have the support of the banking interests of the country. So that no formal bill was drawn up to present to either house of Congress. A tentative bill was prepared with the kind assistance of the Hon. Comptroller of the Currency, which will probably serve as a basis on which to commence. It was found that the feeling in Washington displayed practically by everyone was that this vexed question would have very much greater attention at the hands of the legislators if a concrete bill designed to aid the commercial interests of the country were presented by the proper committee representing the organization. You will bear in mind that legislators have had an infinite variety of bills presented to them in the past, either directly in the House of Representatives or before the Banking and Currency committee of the House, where such legislation must originate. The president and secretary, working in harmony with the committee, visited Washington by special request, and the whole matter, so far as the association was concerned, was carefully presented to people in authority there, and every indication showed their great desire to aid any legislation which had the sound and solid support of the banks of this country. Unfortunately, the sentiment of a great many of the leaders of both parties of this country tended toward as little legislation as possible at the last session of Congress, and by numerous friends the committee was advised, and came to the conclusion, that it would be very much better to defer the

matter until the coming year, when all sides of the question could be thoroughly debated and the Committee on Finance of the Senate and the Committee on Banking and Currency of the House could in advance be consulted and a bill that would meet their past experience could be drawn up and the same considered to some extent before the regular session commenced.

We therefore respectfully report the above, all of which is duly submitted.

THE SECRETARY: This is signed by Mr. Donald and Mr. Pugsley of the committee.

F. E. Tracy, from the committee on uniform laws, submitted the following report:

REPORT OF THE COMMITTEE ON UNIFORM LAWS.

The committee on uniform laws begs to report to the American Bankers' Association that, considering the small field for action during this last winter, very good progress was made. Kentucky and Louisiana passed the Negotiable Instruments Law and it is now on their statute books. In the former State some changes were made in order to get the bill through, but the committee is advised that the changes do not materially alter the law.

The organization of the bankers' association in this State was admirable, each member being furnished with a copy of the law, and by their united efforts each member of the Legislature was made familiar with the law before the beginning of the session, and was prepared to give it intelligent consideration.

In Louisiana the united efforts of the bar association and the bankers' association put the bill through and it is placed among the laws of the State.

In Mississippi a strong effort was made to pass the bill and the State Bankers' Association succeeded in getting it through the judiciary committee, but political questions intervened, and the law failed of passage.

In Vermont an effort was made to organize for the passage of the law by the Legislature, but without success. The committee has assurances from each of these States that the organization will be thorough for the next session, so we may hope they will join the list of States on the roll of honor.

At a meeting of the executive council of this association held last May a copy of the following amendment to the Negotiable Instruments Law passed by the Legislature of the State of New York was referred to this committee in order that the opinion of the bankers throughout the country could be had upon it.

"An Act to Amend the Negotiable Instruments Law Relative to the Payment of Forged Checks. Became a law, April 13, 1904, with the approval of the Governor. Passed, three-fifths being present.

"The People of the State of New York, represented in Senate and Assembly, do enact as follows:

"Section 1. Article 17 of Chapter 612 of the Laws of 1897 entitled, 'An act in relation to negotiable instruments constituting Chapter 50 of the general laws,' is hereby amended by adding at the end thereof a new section to be known as section 326, and to read as follows:

"Section 326. Recovery of forged check.—No bank shall be liable to a depositor for the payment by it of a forged or raised check, unless within one year after the return to the depositor of the voucher of such payment, such depositor shall notify the bank that the check so paid was forged or raised.

"Section 2. This act shall take effect September 1, 1904."

Several copies of the amendment were sent to each State association and clearing-house throughout the country with a request that a thorough consideration be given to it. Replies were received from a majority of these institutions and without exception they were favorable to the suggestion that the amendment be made a part of the Negotiable Instruments Law, the only question being regarding the limit of time—many suggestions were received that three or six months should be the proper limit. In connection with the opinions regarding the amendment the committee was much pleased by the large number of voluntary expressions from States that have not yet passed the Negotiable Instruments Law regarding its value and the determination that it shall be taken up this winter.

We wish to impress upon the members of the association that only by thorough organization of the State associations can this be brought about,

and if each association of the States named below will take the matter up in earnest a large number of them will be on the roll of honor at our convention in 1905.

In conclusion the chairman personally wishes to thank the members of this association for the courtesy of their executive council which enabled him to take up the work of this committee where it was laid down by the late chairman, Mr. Frank W. Tracy.

The Legislatures of the following States meet during the winter of 1904 and 1905:

Arkansas, California, Delaware, Georgia, Illinois, Indiana, Kansas, Maine, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Mexico, Oklahoma Territory, South Dakota, Texas, West Virginia.

The following is a list of the States now operating under the law:

Connecticut—April 5, 1897.

Colorado—July 15, 1897. (Notes falling due Saturday are payable the same day, except those falling due in Denver on any Saturday during June, July and August, when they are payable the following Monday.)

Florida—August 3, 1897.

New York—October 1, 1897.

Massachusetts—January 1, 1893. (Three days' grace allowed sight drafts.)

Maryland—June 1, 1898.

Virginia—July 1, 1898.

North Carolina—March 8, 1898. (Three days' grace on notes, acceptances and sight drafts.)

District of Columbia—April 3, 1899.

Wisconsin—May 15, 1899.

Tennessee—May 12, 1899.

Oregon—May 19, 1899.

Washington—June 7, 1899.

Utah—July 1, 1899.

Rhode Island—July 1, 1899. (Three days' grace on sight drafts.)

North Dakota—July 1, 1899.

Arizona—September 1, 1901. (Except by clerical error, chapter on Promissory Notes and Checks omitted.)

Iowa—July 1, 1902. (Amended to give three days' grace on each of which demand may be made.)

New Jersey—July 4, 1902.

Ohio—June 1, 1903.

Pennsylvania—July 1, 1901.

Montana—March 7, 1903.

Idaho—May 1, 1903.

Kentucky—May 1, 1904.

Louisana—July 1, 1904.

FRANK E. TRACY, *Chairman;*
HOMER A. MILLER,
J. D. POWERS.

THE PRESIDENT: The next is the report from the committee on education by Colonel Lowry.

COL. LOWRY: I wish to say to you, gentlemen, that Mr. Finley, the chairman of the committee, is in Europe. I confidently expected him to be here to present the report, and I know that you are the losers by his not being present, and I feel that I should not afflict you this afternoon with all this. I believe you will read it when you have it at home—although I doubt my belief a little.

I will just read the closing part of this report because it is getting late and I know you will want lunch or something else to refresh you, and I am just going to read a few lines.

The report submitted by Colonel Lowry is, in full, as follows:

Report of the Committee on Education.

To the American Bankers' Association:

Your committee on education respectfully reports that its efforts in extending and systematizing the work of the American Institute of Bank Clerks during the past year have been exceptionally gratifying. As a culmination of the work already in successful operation, a system of official examination has been established, intended to centralize the various lines of instruction and fix and maintain a recognized standard of banking education. The examinations give definiteness of purpose to every branch of institute work and are adapted to the circumstances of students in country banks as well as to students organized in chapters in the larger cities. Subjects in which proficiency is required are practical banking, commercial law and political economy. To students who meet requirements, certificates of proficiency are issued by the American Bankers' Association jointly with the institute, the plan having been submitted to the executive council and been duly approved. Certificates are signed by officers of both organizations. Examinations for certificates are conducted annually under the supervision of local moderators in accordance with prescribed restrictions, and the qualifications of students examined are determined by educators of experience and reputation. The examiners are as follows:

Practical Banking.—William B. Ridgely, Comptroller of the Currency, and Joseph French Johnson, Dean of New York University School of Commerce, Accounts and Finance.

Commercial Law.—Eugene Wambaugh, Professor of Law in Harvard University Law School.

Political Economy.—J. C. Schwab, Professor of Political Economy in Yale University.

To qualify students for examinations upon which the issuance of certificates depends, the examiners have prepared courses of study in practical banking, commercial law and political economy, and prescribed preliminary exercises and examinations based upon the required text-books, which include several standard works published since the organization of the institute, four years ago. The preliminary examinations are conducted by correspondence without restrictions in answering questions, and in connection with the required text-books make a complete system of education sufficiently advanced to command recognition. Students are privileged to obtain preliminary papers before beginning the text-books, as they can thereby see for themselves exactly what is required. Those who find themselves able on receipt of the questions to return correct answers without special study are at liberty to do so. Those who realize the need of preparation will find in the preliminary exercises and examination questions systematic guidance in the study of the text-books. Students are thus enabled to submit answers to preliminary examination questions whenever they feel competent to meet requirements. Credit is given severally for examinations successfully undergone, but certificates are issued only to those who have passed both preliminary and final examinations in all subjects. The more advanced students in the correspondence school, which has heretofore been of comparatively elementary character, have been graduated into the standard examination courses, and others are in the direct line of promotion. In view of the circumstance that some, if not all, of the required text-books in practical banking, commercial law and political economy may be found in the libraries of progressive banks and chapters, it is impossible to know the exact number of students who are pursuing these studies with the definite purpose of preparing for the standard examinations, but some idea of the extent of the movement may be realized from the fact that about two hundred applications for preliminary examination papers have already been received. It is probable that sufficient progress will be made by students during the coming year to justify the institute in holding the first final examination for certificates.

In the larger cities, chapter organization and work have been satisfactory. Efforts have been directed toward educational rather than numerical results, and as a consequence members of chapters are recognized as a superior class of young men. In cities where chapters exist, a large percentage of promotions have been made from bank clerks prominently identified with chapter work. The institute appreciates the cordial support of bank officers generally who have taken the time and trouble to make addresses before the organizations. The list has already outgrown the limits of enumeration. Among others who have been of service in our educational work are former Secretary Gage, Comptroller Ridgely, Assistant Secretary Armstrong, former Assistant Secretaries Vanderlip and Ailes, former Comptroller Eckels, Treasurer Roberts, Congressmen Fowler, Pugsley and Prince, Judge Spencer, of

St. Louis; President Wakeley, of the New Jersey Senate; ex-Comptroller Coler, of New York; Superintendent Kilburn, of the New York Banking Department, several members of the National Treasury Department, and numerous national and State bank examiners. Among prominent educators who have addressed chapters or otherwise aided the work of the institute are President Wilson, of Princeton; Professor Wambaugh, of Harvard; Professor Schwab, of Yale; Professors Johnson, Tompkins, Cleveland and Aymer, of New York; Professors Reinsch and Scott, of Wisconsin; Professors Pattee and Paige, of Minnesota; Professor Plehn, of California; Professor Bolles, of Haverford; Professor Mack, of Chicago, and Professor Hicks, of Cincinnati. The late Charles W. Haskins, Dean of New York University School of Commerce, Accounts and Finance, the father of higher accounting in America, was particularly interested in the institute and its work.

To indicate the scope and character of addresses before chapters, the following subjects are selected from various programmes: "The Protective Work of the American Bankers' Association," "Two Views of Asset Currency," "Personality in Handwriting and How to Detect Forgery," "Foreign Banks," "The Ideal Banker—A Depositor's Views," "Clearing-House Certificates," "Character as Collateral," "How a Corporation is Organized," "Wills and Estates," "New York City's Financial Department," "Educational Opportunities of the Present Day," "Administration of Estates," "The Banker as a Promoter of Prosperity," "Business and Politics," "Movements of Currency," "Bankruptcy Law," "Origin and Source of Credit," "Clearing-House for Country Checks," "Banks and Publicity," "Banking One Hundred Years Ago," "The Evolution of the Railroad," "Taxation of Bank Moneys and Credits," "Essentials and Non-Essentials of Negotiable Instruments," "The Special Importance of the Banking Business in Modern Life," "Personality in Banking," "Reminiscences of Early Banking Days," "The Moral Side of a Bank Clerk's Life and His Obligation to His Employer," "Ethics of Banking," "What is Necessary "Practical Suggestions Relating to Negotiable Paper," "The Hawaiian Terrifor the Successful Operation of a Bank," "Corporation as Bank Depositors," tory and Its Resources," "What May be Derived by Bank Clerks from Organization," "The Economic Effect of Watering Stocks," "The Laws Relating to Real Estate Transactions," "Is There Still a Necessity for Currency Legislation?"

The total chapter membership is now 3,720. Two annual conventions of chapter representatives have been held, comparing in character with the conventions of bank officers, and the indications are that some of the most valuable future members of the American Bankers' Associations will come from present members of the American Institute of Bank Clerks.

Collateral with the work of the institute, substantial progress has been made within the past few years in the general field of financial and commercial education. Among leading universities and colleges which now maintain complete schools of banking and business are New York, Pennsylvania, Louisiana, Dartmouth, Vermont, Wisconsin, Ohio, Michigan, Indiana and Chicago. Economic subjects are also taught to a greater or less extent at Harvard, Yale, Columbia, Cornell, Johns Hopkins, Brown, Western Reserve, Barnard, Minnesota, Radcliffe, Vanderbilt, Stanford, Princeton, Iowa and California. The officers of the institute have communicated personally or by correspondence with representatives of nearly all of the institutions named, thereby obtaining information and suggestions of inestimable value, and prominent educators have given assurance that the benefits derived from such exchanges of views have ben in a measure reciprocal. Your committee appreciates the cordial relationship which has been established between the institute and the leading schools of the country, believing that education in banking and kindred subjects will thereby be improved and extended.

With due appreciation of the responsibilities of trusteeship, your committee have conducted the institute with the sole purpose of rendering the most valuable service to the young bankers of America and reflecting the highest honor upon the American Bankers' Association. Expense has consistently been subordinated to efficiency, but notwithstanding the broadened character of the work the financial deficiency during the coming year will be reduced. Up to the present time the details of operation have been handled by contract, but in view of the more comprehensive plans now established, the trustees have deemed it expedient to assume direct management through the secretary of the institute of every department except the publication of "The Bulletin," which will be conducted by the Account-Audit Company as heretofore. "The Bulletin," now has about seven thousand subscribers, and with improvements recently introduced and others in contemplation, an extension of its circulation and usefulness is assured.

The introduction of the examination feature has necessitated some unusual expenses, which have been paid out of the last year's appropriation, leaving an unexpended balance of about $1,500. This unexpended balance and

an additional appropriation of $6,000 will enable your committee to conduct the institute another year in a manner creditable in every way to the American Bankers' Association, and it is, therefore, recommended that such appropriation be made.

J. B. Finley, *Chairman.*

The President: The report of the committee will be received.

The next is the report of the committee on bank money orders.

Mr. Hepburn: Mr. Chairman, the American Bankers' Association at its meeting in San Francisco continued a committee on bank money orders, of which Mr. Joseph Chapman was chairman, and they were directed to report at the meeting of the council in this city, which they did. A new committee was then created and they were discharged from their duties. They reported to the executive council. I did not understand that the committee was to make any report to this convention. Both the Chapman report and the report of my committee have been made and mailed to every member of the association. Therefore, I do not think there can be any occasion, Mr. Chairman, for any further reference to the subject here.

The President: The report as made will be received.

Mr. Hill: Mr. President, as president of the American Bankers' Association I was opposed to this and appointed Mr. Orde and Mr. Finley on that committee to kill it. But after working on the committee I found it was a good thing and after serving you a year without salary they took me on the committee and I am now in favor of it, because I want a New York bank clerk to know that Santa Fe, New Mexico, is not in the vicinity of St. Louis, and I want the bank clerk of Chicago to know that the Burlington road does not run into Pensacola, but it does run where it is mortgaged.

Twenty-five years ago when I used to come to this city, a New York bank officer would meet me at the gate and lean on it and ask me in a very nice tone of voice when I came to town and when I was going to leave; but in a few moments more a man would step up behind him and hand him two or three books, and he would say: "Excuse me, sir, I am very busy." Yesterday I went into a board room in this city where millionaires sit around the table every day, and that board room was given up to a free lunch to the hayseed bankers of the West.

I want to say a word about a little educational institution at the end of the bridge where about 700,000 people live—between the end of the bridge and the Exposition gates—the gates of the greatest Exposition that the world has ever seen. I do not have to say that to the Middle West men, because they are coming there in droves, and those that cannot pay their way are walking; but I want to say to the Eastern and the Western people that we have $45,000,000 of somebody's money in that plant. We have every government in the known world represented there but two. We have every State and Territory in this great country represented there by a State building but two. I do not see anything here in the representative papers. I cannot understand why papers as great as the Eastern papers are should neglect to publish one of the grandest speeches ever made by man. That great editor of some London paper, who had the hyphenated name which I have forgotten, but he was a man that was knighted by Queen Victoria because of his work to upraise mankind, and I want to educate the newspaper men so that their journals will turn from red and yellow to white.

If any banker in this part of the country cannot get into that fair, has not the money, if he will come to St. Louis I am sure I will say that any

financial institution there will loan him enough to get in—fifty cents—if he will leave his watch there.

But I am going to cut it short by saying we want every man, woman and child, who is competent of taking in the greatest exhibit the world has ever seen, and some of the greatest men the world has produced who are there to show the exhibits. If they are not satisfied I will raise a fund to pay their way back from St. Louis.

MR. HACKETT: May I make a few remarks?

THE PRESIDENT: I will recognize you a little later if that will do.

MR. HACKETT: Very well.

THE PRESIDENT: The Chair now presents Hon. A. B. Hepburn to speak to you upon the money question.

MR. HEPBURN: I never offer apologies for any intellectual matter I have to present, but I feel like indulgence this morning on account of the condition of my voice. This convention has had a most interesting morning session. You have been in session now for nearly four hours, and it is long past the usual time in which gentlemen indulge in a mid-day meal. I think, therefore, that with your permission I will hand this manuscript to the secretary and let you gentlemen find it in the report of the proceedings, which will be more to your convenience, and quite as much to mine, in view of the present condition of my voice.

THE PRESIDENT: Gentlemen of the Convention—I wish to express my own regret that it is come about by reason of the condition of Mr. Hepburn's voice that we have not the pleasure of listening to his address. I know, without knowing its contents, that it will be worthy of hearing.

Mr. Hepburn's address is as follows:

THE MONEY SITUATION.—ADDRESS OF HON. A. B. HEPBURN, PRESIDENT CHASE NATIONAL BANK, NEW YORK CITY.

The money question is a kaleidoscope, each turn in affairs presenting new combinations with varying forms and colors, difficult to describe, still more difficult to forecast; and yet all these changes are subject to natural laws, save where statute laws or the concurrent action of many men or many interests, consenting for a common purpose, serve to produce artificial conditions.

SPECULATION AND MANIPULATION OF PRICES.

It is indispensable that bankers be familiar with the basic principles of finance, the laws of supply and demand, the varying production in the different fields of industry ranged alongside of the varying demand of the consumer, the commodity movement necessary to effect a distribution satisfactory to the public need, and the motive power—volume of money—necessary to effect such movement. And still, the proper understanding of these matters does not fully equip the modern banker. In these days of cut and thrust, the complex affairs of modern commerce are intensified and amplified by the power of concentrated wealth, inspired by the popular mania for amassing large fortunes. Prices are manipulated, normal conditions upset, natural laws reversed—witness the retrograde movement of cotton during last season, from warehouse and mill in New York and New England back to New Orleans to meet delivery on speculative contracts, at prices far in excess of its value for commercial purposes. The spinner sees the prices of raw cotton lifted beyond the point of profitable manufacture by people who use this great staple as a basis for speculative contracts—contracts whose only intended relation to the actual commodity has sole reference to the price as determined by quality and quantity.

The great cereals of the country are the popular football of speculation, and are subject to similar treatment, with analogous results. If the artificial prices thus created were realized by the producer, it would be a com-

pensatory advantage, but the "corner" and the "squeeze" are only possible when the crop has "come in sight," its volume determined, and has passed into the hands of the middleman. Whether a bank's funds should be loaned at all to aid in unduly advancing the price of commodities, and to what extent such advances may be made with safety, are added questions entirely apart from the ordinary principles upon which the credit is based. Unduly enhancing the cost of any commodity, or the cost of money—interest rates—adversely affects general business, the immediate and perhaps the most baneful effects of which are experienced by banks. Commercial banking, in order to experience the largest measure of success, requires stable conditions; with speculative banking it may be different. It is well known that fluctuations in rates of transportation, or cutting of rates, although they enable the movement of goods more cheaply, and hence seemingly increase the dealer's profits, tend, nevertheless, to demoralize businss, and are of real advantage to no one.

INFLUENCE OF A PROTECTIVE TARIFF.

By means of protective tariff laws, the general level of prices is raised, and hence by a change in governmental policy is likely to be remanded to a lower level. Some degree of artificiality in prices, dependent upon protection, seems likely to remain, however. There has grown up among the nations generally, with the exception of Great Britain, a system of tariff reprisal, or extremely high duties, by which means of reciprocity agreements are tempered into a system of rewards and punishments, designed to secure and insure the greatest benefit to the respective nations. It is through commercial relations that nations nowadays are the most easily reached and influenced. To place an embargo on another nation's merchandise is an extreme procedure, and fraught with possible danger to peaceful relations. Our ability to compete with other nations in the sale abroad of our manufactured goods depends upon our ability to manufacture as cheaply and transport to the place of consumption at as litle cost. The fact that our goods are delivered almost exclusively in foreign bottoms is perhaps no competitive disadvantage. I am not aware that our goods are in any respect discriminated against. Our merchant marine will not grow and develop so long as our people can employ their capital more advantageously in ventures upon land. and protection and subsidy will not avail to change this condition.

It is claimed by the advocates of protection that our present tariff laws enhance the price of labor as well as commodities. It necessarily follows that the cost of the manufactured articles, which we would like to sell abroad, is thereby advanced to an unnatural level. I am not discussing the merits or demerits of protection, but we all know the temporary effect upon business produced by the prospective or actual revision of the tariff, and I simply note the fact that it makes for permanency of conditions, and hence for uniform prosperity, to have trade, as nearly as may be, left to natural laws, unvexed by legislation.

FLUCTUATIONS IN RATES FOR MONEY.

The extreme fluctuations in the money rate, frequently ranging as high as twenty per cent., as it did in 1901-04, indicate the existence, legislative or otherwise, of unnatural and unwholesome conditions. The strong demand for money at full rates that have generally prevailed for the past three or four years, followed by an accumulation of unloanable funds at the present, is a natural result and sequence of the industrial debauch through which we have passed, but from which we have not yet recovered. The individual who closed out his securities at top prices, and kept out, was fortunate. The manufacturer or merchant who sold out at the height of the boom realized more than his property was worth, and was proportionately fortunate. The average successful man who was in business eight years ago, and has remained in to the present time, would be better off today had an average degree of prosperity characterized this period instead of the wide fluctuations in values and extremely high prices which prevailed. The manufacturer who can sell more than his output at almost any price he chooses to demand usually increases his capacity, notwithstanding the fact that the cost of labor and material are at the maximum, and thus permanently over-capitalizes his plant, and impairs his economical production in the future.

BANKERS DESIRE STABILITY.

I seek by these illustrations to emphasize the fact, with which we are all familiar, that the public prospers most with average conditions and stable influences, and with the natural laws of trade in force unvexed by artificial influences.

Banks are the barometer of trade; bankers are dealers in credit. Their business consists in swapping a well known for a less known credit. To succeed they must study and be familiar with all branches of industry, and the changing conditions of the business world as well as the changing conditions of the individuals and corporations with which they deal. It follows that bankers, of all people, desire freedom from boom and depression, and it seems to me that our labors, as individuals and as an association, should be directed toward vindication of natural laws in trade in finance.

THE CURRENCY.

As to currency, there is little likelihood of change in our laws for some time to come. It would be the part of wisdom to perfect our currency upon well grounded principles, in the light of experience and along scientific lines, at a time when the public is free from currency agitation. But large legislative bodies seldom proceed in such manner. Their action is taken at some crucial period and in response to an acute public demand. There is nothing to suggest such demand in the near future. Our currency is good beyond question, but rigid as the laws of the Medes and Persians. It is quite similar to the currency of England. We have $346,000,000 in United States notes, issued directly by the Government, made legal tender, and which are, in effect, a forced loan. Corresponding with these greenbacks, so-called, the Bank of England issues, stated in round numbers, £14,000,000 of uncovered notes as against a loan or credit extended by the bank to the British Government. All other Bank of England notes, like our gold certificates, represent gold held against their issue. Banks in the United Kingdom, other than the Bank of England, have the right of note issue to a limited extent, which notes correspond in the general scheme of finance to our bank notes, although differing widely as to issue and redemption. In England silver is the small change of the people and does the drudgery of trade. With us, Congress has sought, and perhaps with success, to chain silver to the wheels of industry, to keep it so employed in the daily business turn-over as to prevent its becoming an indirect drain upon the gold in the Treasury.

Canada has $30,000,000 of Dominion notes corresponding in issue and use with our greenbacks, although the Canadian bank currency differs widely from ours. Comparing the population, resources and business activity of the three countries, the greenbacks in use with us are not disproportionate in amount to the uncovered notes of the Bank of England, and were brought into existence by the same governmental necessity. The Dominion notes of Canada were more deliberately issued, but the amount per capita approximates the per capita amount of greenbacks in use with us. The greenbacks are redeemable in gold so long as the credit of the Government is such that its bonds can be sold for gold. They are good beyond question, are practically gold notes, and I think they have come to stay. It is fair to assume currency conditions in England have exercised an influence in shaping ours, since there is a general similitude, and it is all the more likely that public sentiment will crystallize around present conditions. I am not arguing against any proper scheme for perfecting our currency, but as practical men, we should recognize facts and probabilities. The volume of currency in the aggregate and per capita exceeds any previous period in our national existence and is certainly adequate to the public needs. The perennial output of our mines will satisfy any increased demand which may accompany increase of population and expanding business.

Our Sub-Treasury system, which withdraws from circulation the daily custom receipts of the Government and locks them in the Treasury, from which they can only be withdrawn by an appropriation of Congress, is an arbitrary and artificial interference with currency conditions, enacted at a time when the Government professedly was afraid to trust its income funds in the hands of the banks. Whenever the Government's income exceeds its

expenditures, the daily absorption of money by the Treasury becomes an important consideration that must be taken into account by every banker and business man in determining his course of action. The natural course of business is marred or modified by the Government's strange adherence to this absurd provision of law. Its absurdity may well be illustrated by noting the consequences which would ensue in case municipalities and individuals should adopt the same cowardly conservatism. Suppose each state, each city, county, town and village should hold all their receipts for taxes in their treasury or strong boxes, until the same should be paid out in regular course in meeting their direct obligations. The effect of such a course upon the money in circulation and the violent fluctuations in volume necessarily produced, can easily be foreseen. Go a step further, and suppose each individual and corporation should adopt the same course, and it is easy to see that the whole superstructure of credit would fall to the ground. Congress has given some signs of a disposition to repeal this law, albeit the same was accompanied with a provision that the banks pay not less than two per cent. interest to the Government for the privilege of keeping these funds in circulation.

PANICS AND AN EMERGENCY CIRCULATION.

The weakest point in our currency system is shown during those periodical crises commonly called panics. A panic means business paralysis. Some climax to a series of adverse influences operating upon the public mind temporarily destroys credit, and in a country like ours, while ninety per cent. of business transactions are consummated by means of credit, it means a practical stoppage of the wheels of industry. The only possible way to liquidate a panic is to keep business moving. Credit or currency must be provided to carry the products of farm and factory to the marts of the world, in order that the return prices may meet and extinguish local demands and restore normal conditions. History shows that the crux of a panic is passed, some times in a few days, always in a few weeks, but it is during that crucial interval that our currency system is wholly unable to meet and master conditions. In order to tax State bank circulation out of existence, the statute, bristling with ample penalties, confronts all banks with a ten per cent. tax upon any and all instruments designed, however temporarily, to perform a money function, except they be National bank notes secured by Government bonds, costing more to purchase than the par of the currency which may be issued upon them as a basis. Individuals may utilize their credit in any way to protect their business or promote their interests, but banks, constrained by laws enacted by the Government, may not utilize their credits in the way most natural and needful at times of crucial necessity to aid commercial interests. I like the German system in this respect and believe there should be legislative provision for a temporary currency, to be issued by banks in periods of extreme necessity. Such currency should be subject to a tax so severe in amount as to insure its retirement immediately upon the passing of the condition which called it into existence; or, to put it differently, since our Government is in the banking business, and seems destined to remain, I think the Government in times of panic, being amply protected against loss, should loan its credit in the form of bank note currency to the banks, receiving therefor a high rates of interest, say 6 per cent. If the rate of interest should fail to retire such circulation within proper time, the Secretary and the Comptroller could require its retirement.

I am aware that some people object that an emergency circulation would have a bad effect upon the public mind. They seem to think that the public would only know of the emergency through such an issue. Any financial or industrial disturbance that may occur will be known to the business and reading public step by step as it occurs, and an emergency circulation would be received by the public as a remedy and a relief, and anyone who thinks otherwise pays a poor compliment to the intelligence of the American people. I am strongly of the opinion that there should be some modification of existing laws so as to permit banks to protect the business interests of the country in times of greatest need. I think so all the more from the fact that the time has gone by when clearing-house certificates may be successfully used to mitigate the rigors of a panic. What banks as corporations

could not do, they have heretofore, with a large measure of success, accomplished through an unincorporated association known as a clearing-house association, by means of instruments known as clearing-house certificates. Such certificates, though an undoubted measure of relief in times past, were nevertheless a two-edged sword. While they furnished the means of extending credit, they heralded a practical suspension of currency payment. The tendency of banks throughout the country in panic is to strengthen their reserves; the tendency of individuals is to withhold their money from deposit. The maximum amount of clearing-house certificates issued by New York banks at any one time was $41,490,000. The average daily exchanges of New York banks are over $200,000,000. The issuance of clearing-house certificates, raising a doubt as to the ability of depositors, both banks and individuals, to obtain currency if desired, would induce the withholding of deposits and the diversion of exchange that would otherwise and naturally come to the banks making use of such certificates. The amount of funds thus withheld and diverted from banks making use of such certificates would easily exceed the maximum amount of certificates which could be utilized. The issuance of $41,490,000 of clearing-house certificates and the diversion of $100,000,000 of funds would aggravate rather than help conditions. I think I am safe in saying that it is the general opinion among bankers that clearing-house certificates will no longer prove a measure of relief unless it may be under most exceptional circumstances. In time of trouble, individuals pay very high rates for money to protect the credit; why not banks? We have become a recognized power in the world of finance, as well as in consideration of political questions affecting the sisterhood of nations, and instrumentalities successfully used in the past while a debtor nation are no longer available. Banks must pay their depositors in whatever funds they may require.

UNEQUAL DISTRIBUTION OF CREDIT FACILITIES.

Referring to the initial thought of this paper—the desirability of stable business conditions and uniform cost of transportation, and reasonably uniform rates for money—we, as bankers, entirely apart from legislative or coercive measures, can exercise great influence in bringing about such conditions. Much of the hostilities to banks, much of the animosity existing between different sections of the country, are traceable to the unequal distribution of banking power, credit facilities. A borrower in the interior or remoter sections reads of the very low rates of interest prevailing in the money centers, compares the same with the full rate he is compelled to pay, and concludes that his immediate debtor is reaping an undue advantage, is charging him undue or extortionate rates. Reasoning something like this furnished the backbone of the silver propaganda, whose disturbing influence has cost the country so sorely during the past twenty-five years. People in the newer sections of the country, aware of the rich, natural resources of their localities which only awaited development to be transformed into wealth, clamored for an increased volume of currency. What they needed was capital to transform latent wealth into tangible wealth; what they thought they needed was more currency, and this conviction served to swell the ranks of the advocates of cheap money.

The Credit Foncier of France is a great mortgage bank. It takes mortgage obligations from its customers and gives in exchange its own debentures or obligations. Such obligations are listed and have a daily quoted value upon the Paris Bourse, and the Credit Foncier is not permitted to charge its customer in excess of five-eighths of one per cent. above the day's quotations for its securities. This secures the borrowers throughout France a uniform rate. As a matter of fact, the Credit Foncier gives to its borrowers money or such funds as they desire. The above law serves to limit the exchange or service charge to five-eighths of one per cent., and secures to all borrowers, of the same date, the same rate of interest. As you are all aware, the Bank of France charges the same rate of discount each day at all its branches throughout France. Of course, what may be successfully carried out in densely populated France, may not be at all practicable in the United States, but with increasing wealth and growing population something approximating the Credit Foncier may become practicable and would seem to be desirable.

Terminal wheat receipts in Duluth and Minneapolis are regarded as the best of collateral by banks generally; why not cotton in New Orleans, Galveston, Mobile, Atlanta, Savannah, Charleston and other important points? Some attempts have been made by warehousing companies to make the staple products of the country, warehoused in the locality of their production, available as collateral with banks generally. Insufficient capital and insufficient business experience have thus far deprived the project of a fair trial. With sufficient funds, under the management of experienced men of well known character and ability it seems to me the project ought to succeed and prove an advantage alike to borrower and lender.

Great and glorious as is our country, grand and gratifying as are the totals that record our industrial wealth, whether told in measure that indicates its volume or the coin that marks its value, we are nevertheless but in the dawn of our national greatness. This statement holds true whether our country be judged as the producer of raw material, the manufacturer of finished product, the dominating factor in the commercial function of redistributing the varying productions of different states to meet the requirements of the varying and exacting tastes of mankind, or whether it be considered as a power in world politics and a civilizing influence in the progress of mankind. Whatever changes may be necessary to keep us in the forefront in world competition, we may be sure will be brought about. We as bankers must do our part, we must be prepared to furnish credit to the exporter, accompanying outgoing cargo with bill of lading and draft to the point of consumption, and receive compensation by means of draft and bill of lading that accompanies the returning cargo. Greater and greater responsibilities will devolve upon the banking fraternity, and since we have no central National bank to represent us as a nation and to exercise a dominating influence over fiscal and commercial affairs, it behooves us to become all the more closely affiliated as integral institutions, in order that, working along similar lines and to the same purpose, we may successfully meet coming responsibilities.

THE PRESIDENT: I think this winds up the regular order of business, and it now gives me pleasure to introduce Mr. Hackett, of Chicago.

REMARKS ON THE MONEY ORDER REPORT.—BY R. H. HACKETT.

In making my comments I shall distinguish between two committees, the first, the bank money order committee appointed by the chair at San Francisco, consisting of Messrs. Chapman, Willits, Hillyer, Kuhne and Butler, and which also included for a time Mr. Pierson, and which I shall call the San Francisco committee, and the later committee consisting of Messrs. Hepburn, Chapman, Fries, Porter and Forgan, which I shall call the New York committee.

To the first committee was assigned the task of formulating a money order system; to the second, the mere perfunctory task of carrying out the recommendations already determined upon by the San Francisco committee and the executive council.

I do not doubt that the report rendered by the San Francisco committee and the arrangements for its inauguration made by the New York committee represent the best thought of the members of both committees. That the report and the arrangements are entirely inadequate to meet the conditions they are supposed to ameliorate, and that the system established thereby is entirely impracticable, so far as the achievement of any distinct step in the solution of the money order problem is concerned, I thoroughly believe. The gentlemen who so faithfully labored on the New York committee are not to blame, since they found their task already prescribed for them when they took hold of the subject. I do, however, want to inquire into the motives that prompted the evolution of the hybrid, crazy-quilt "patched" order which is presented to us for serious consideration and adoption. If this were not so formidable a body, one would almost be forced to regard the report and its conclusions in the light of a humorous production. It is, indeed, not without cause or reason that the eminently sensible, sincere and self-respecting New

York committee declined to assume the onus or responsibility for the demerits of this system. This latter committee, which contains only one member of the San Francisco committee, takes pains to call attention once in about every six lines of its text to the fact that the plan they are putting into execution is one which had previously been fully determined upon. They iterate and reiterate that their function is to do just three things, that is, (1) to draw an agreement between the American Bankers' Association and some surety company; (2) to determine a form of agremeent between the constituent banks of the association and a surety company, and (3) to determine a proper form of money order under the resolution already adopted, and having done these three separate and distinct thinks they ask to be discharged.

We are thrown back then to the work of the San Francisco committee.

And what, pray, has the San Francisco committee done? In full seriousness and with due gravity and solemnity they have determined that the banks and bankers of this country who are members of the American Bankers' Association need a chaperon—a dowager of capitalized reputation and standing to vouch for and preserve the good names of our co-members.

Glorious verdict this, is it not?

To add to the agony, one of the members of that committee appears before the convention of the North Dakota Bankers' Association last summer, and, among other things, blandly assures us in that speech that we, the banks and bankers of this country, are not to be trusted; that our bank drafts are really not respectable or fit to be received in decent society; that they are little better, if not somewhat worse, than the wild-cat currency of our forefathers; that what we need is a guardian or censor-in-chief, and that if we are real good boys and behave ourselves, and continue to do or start in to do business in a manner satisfactory to this general guardian, that the said preserver of our financial morals will give us a good character, and will trust us with nice blue pieces of paper suitably patched, worth—think of it gentlemen—worth, perchance, as much as $25 American money.

But if we are not good boys, or refuse to carry on our business according to the more or less exact notions of the guardian so proposed for us, or if our ideas of banking methods are not in accord with those of our proposed guardian, then we shall be forthwith excommunicated and ostracized, and labelled as not being good enough to receive the aforesaid certificates of gogod character in the form of money orders potentially worth $25, more or less.

Magnificent prospect this, is it not. My institutions, as members in good standing of the American Bankers' Association, are now called upon to satisfy the dowager chaperon selected for us under the plan of the San Francisco committee that they are "real nice" institutions, and if for some reason the said dowager refuses to be convinced, we are to be marked before the banking community as being unworthy of public confidence. So much for the plan.

Let us mention an incident in connection with the method adopted for the execution of this plan. We are favored with an innocent looking application blank, which on cursory reading leads us to believe that all we have to do is to pay our five dollars and we shall receive the money order blanks. Who would think of ascribing any importance to the innocent sentence that has reference to some "form of undertaking," yet to be signed? It is very remarkable, however, that this form of undertaking, which was supposed to have accompanied the original report of the New York committee, and which the secretary of this association was to have sent out with the committee's report, is held back until our money is up and our application in.

Don't they dare to break the news to us all at once? I am credibly informed that it was originally intended to send the whole story out in one batch, but we now get the glad tidings on the installment plan. First we get the innocent looking little note sheet, then we give up our money and we get the real essence of this entire scheme in the second, or qualification blank.

How many of you gentlemen have seen this form of undertaking? And if any of you have seen it, how many of you feel like executing it?

Now, gentlemen, I am not here to find fault with those who have acted

in this matter in good faith. I am and have been for years an earnest advocate of the bankers' money order, and it is because I believe that this hybrid system is more likely to hinder the firm establishment than to help establish one, that I am here talking on this subject.

I am compelled by the usual parliamentary rules to refrain from using names, but there is one member at least of the San Francisco committee whose actions in this business are so involved and incomprehensible, that one pauses in mute astonishment and seeks in vain, to find some explanation of the import of his financial gymnastics. He came to the bankers of this country a little over three years ago, and on the strength of his firm's reputation solicited and induced them to subscribe funds in large amounts for the establishment of a bankers' money order system. I ask him why he changed from that system which was and is meeting with uniform success, and shifted to this new arrangement? Was it because the other arrangement was becoming too successful? You will pardon the question, but you must concede that when a man gives up something that is practicable and useful to take up something else of the same kind that is impracticable and not useful, the question of his motives will arise in the mind of the careful observer.

For myself and the institutions I represent, I say that if you propose to appoint for me a guardian or a character-maker or destroyer, if you propose that I shall come to New York to learn how to conduct my business and receive from time to time a diploma or certificate of good character from some institution controlled by certain financial interests, I tell you that the American Bankers' Association has lost all its charm for me. You cannot coerce us of the West into seeking approval of our business relations at home at the hands of any surety company or of any other corporate interest. If there are any here who feel that their institutions require a pair of moral crutches in the guise of a surety company to support themselves upon, or a dose of corporate espionage to preserve the vigor of their blood, you are welcome to this mess. For myself, I never have liked personally conducted tours, and swaddling clothes are as much out of my line as crazy-quilts.

We, in my section of the country, know of only two degrees of honesty; the first is honesty, and the second is dishonesty. When a trick or subterfuge is resorted to at the outset of a proposed business arrangement, we do not see fit to go any further with that arrangement. When a plan is proposed that is certain in a very short run to disgust rather than to attract, we do not care to adopt the plan, and—in my opinion—the plan proposed by the San Francisco committee, and apparently so unwillingly put into execution by the New York committee, is not a plan to enable banks to do a money order business, but a plan to make it impossible for banks to do a money order business, and I venture to predict that your respectable dowager will find few timid debutantes to seek the protection of the voluminous folds of her capitalized skirts.

The money order business belongs to the banks of this country, and to all the banks, regardless of their affiliations. We want a plan that will bring the business to us, and we can get the business when we get a sensible universal plan. So far as I am concerned, I should like to see the members of the New York committee tackle this problem unhampered and unfettered by previous action or recommendation; I should like to see a report from their hands handed down by them in an emphatic rather than an apologetic tone, and without wishing at this time to make a formal motion, I would suggest that the best thing for us to do for our own interests is for us to turn over to this New York committee, or to some other committee as eminently well constituted, the task of formulating a real bankers' money order system.

Thereupon at 2 o'clock, P. M., the convention adjourned.

SECOND DAY'S PROCEEDINGS.

NEW YORK, September 15, 1904.

The convention was called to order promptly at ten o'clock. Prayer was made by Monsignor M. J. Lavelle, St. Patrick's Cathedral, Vicar-General.

THE PRESIDENT: Gentlemen of the Convention—You will have the pleasure of listening now to a paper not in the order it is put here in the list, on "Emergency Circulation," but as it is called by Mr. Frame, "Panic Panaceas." I take pleasure in introducing Mr. A. J. Frame, of Waukesha, Wisconsin.

MR. FRAME: This beautiful sunshine suggests the remark of an Englishman, "I cannot understand why the atmosphere in New York is so much clearer than in London," to which the New Yorker replies "Just see how many sky scrapers we have here.

PANIC PANACEAS.—ADDRESS OF ANDREW JAY FRAME, PRESIDENT WAUKESHA NATIONAL BANK, WAUKESHA, WIS.

Our battle for the world's standard of value has been practically won. Now the paramount economic question before the American people is, How can we minimize conditions which produce panics and also ameliorate their after paralyzing effects?

Panics undoubtedly cannot be prevented. Notwithstanding this, I am a firm believer in ameliorating panic conditions, both as to their frequency and severity. But how? My answer is:

1st. By studying history and profiting by the experiences of the past.

2nd. By passing conservative and sound banking laws and then enforcing them.

3rd. By providing cash on sound lines to meet extraordinary demands and immediately retiring it as soon as the pressure for funds is over, to prevent inflation, and also to be ready for the next emergency.

The Standard Dictionary epitomizes conditions leading to panics as follows: "An undue expansion of loans (by banks); an unsound standard of value; over-extension of mercantile credits and widespread speculation, are forerunners of panics."

Let us never forget that confidence upbuilds and distrust paralyzes. The blighting effect of distrust in our standard of value, which was the main underlying cause of the panics of 1873 and 1893, has given to our people convincing object lessons more potent than pages of logic, that a 100-cent dollar is indispensable to stability and prosperity. Populists alone dissent. They attempt to live by their wits and generally fail for lack of capital. I-O-U's are not capital. With these calamitous conditions vividly before us, the result has been a campaign of education and legislation which has practically eliminated from further discussion the "unsound standard of value." To absolutely eliminate all distrust, the language of our statutes should be so unequivocal as to the redemption of our vast volume of silver coins in gold on demand, that no man would dare disobey its mandates.

CONSERVATIVE AND SOUND BANKING LAWS.

In the limelight of historic facts, in proof of the value of good banking laws, let us consider only the brief period of the past forty years. Permit me to refer to the report of the Comptroller of the Currency for 1896, on pages 33, 34 and 54, as to the failures of banks. These pages do not cover yearly nor local history, but United States history as to National and State banks for the long period from 1863 to 1896. In that period 330 National and 1234 State banks failed. During this same period the claims filed, dividends and percentage paid to depositors and amounts still unpaid were as follows:

	Claims filed.	Percentage dividends paid.	Still due to creditors.
National banks	$ 98,322,170	63 8-10	$ 35,556,026
State banks	220,629,988	45 4-10	120,541,262

Please note that further dividends have since been paid, as the later failures were not entirely closed.

Permit a further reference to a most excellent address along the same lines, which all seeking light should read, delivered by Comptroller Ridgely

last April before the Society of Political and Social Science at Philadelphia, entitled "Government Control of Banks and Trust Companies." The Comptroller says, in refering to this same report as "the last date to which complete figures are available, it will be seen that while only 6.5 per cent. of the number of National banks in existence failed during this time, 17.6 per cent of the other banks in existence failed. And while the National banks which had failed up to 1896 (and were entirely closed) paid to their creditors 75 per cent in dividends, the State and other banks paid only 45 per cent." The Comptroller further says: "The total loss to depositors in forty-one years has been less than thirty million dollars." This estimate doubtless is intended to cover the net losses when all the affairs of failed National banks to this date are entirely closed.

By way of digression, when this result is compared with the deficiency of thirty-five millions of dollars resulting from the failure of the City of Glasgow Bank, with its 131 branches, in 1878, our National banking system looms up so grandly that every American citizen has reason to be proud.

On the other hand, something must have been radically wrong in at least some of our State banking systems when we compare the number of failures, amount of losses and percentage paid to depositors, as shown in the above table.

Does any one doubt that these widely divergent results were brought about by an enforced conservatism under the National Bank Act, as against good banking laws in a few States, lax laws in some States, and no laws in many others? It is cause for congratulation that the States are awaking, although too slowly, to the necessity for better conditions. A few years ago the Wisconsin Legislature passed a good State banking law and the people vetoed it. She later redeemed herself. May the good people of Ohio redeem themselves from a like folly committed last fall.

With ten thousand millions of dollars of deposits in the banks and trust companies of the United States, due to not less than fifteen millions of depositors, in order that conditions leading to panics and their paralyzing effects may be minimized, is it not the clear duty of our statesmen to perfect, as far as possible, conservative laws along sound lines? I will suggest but a few of the salient features.

1st. No bank of any kind should be allowed to open without ample paid-in capital as a guarantee fund, before the innocent depositors entrust their funds with it. History teems with trouble resulting from wild-cat banking. Possibly mutual Savings banks which ought to accumulate a surplus might be excepted.

2nd. A limitation on loans to a certain percentage of capital, to which I will add, surplus—which is not included in the National Currency Act—to any one individual, firm or corporation.

3rd. Requirements of reserves against demand liabilities.

The cash reserves can consistently be lowest with the Savings banks and trust companies, because their deposits are largely subject to time notice before payment. That time limit in times of trouble should be rigidly enforced, as it was lately in St. Louis, where a foolish panic was undoubtedly prevented by prompt action in this respect. The limitation for commercial banks, as laid down in the National Currency Act, is eminently sound and inspires conservative management. Although the rule is often broken in times of crisis, I think no bank that was solvent has ever been closed by the Comptroller for that cause. Reason reigns at such times and not the rigid letter of the law. Some fifteen or twenty years ago I said to Lyman J. Gage, then President of the First National Bank of Chicago, "You keep a generous reserve of cash on hand." His answer came quickly, "I would not sleep nights with less than forty per cent." This lusty child seems to keep on growing while others have fallen by the wayside. Let history speak as to who survives longest, the conservative or the plunger.

4th. The rate of interest paid to depositors must be left to the individual bank and cannot be regulated by law.

It is just cause of some concern now that fierce competition in several quarters in this respect is likely to produce unpleasant results. Thrice within my forty-two years of banking experience banks in a certain city mailed broadcast offers to pay interest on account in excess of the current legitimate rate paid by other banks. Depositors that took the bait, within a year thereafter, got bitten by failure of every one of those three banks. Moral: Avoid banks paying more than normal rates of interest, as the probabilities are "There is something rotten in Denmark." This moral will apply to individual depositors as well as to banks with banks.

5th. The question of value of supervision of banks is simply beyond controversy as to beneficial results, and I will therefore pass it.

If experience proves there is such a marked contrast in favor of safety to depositors in National banks, which are under careful laws and supervision, as against all other banks, which are only partially so, is it not a

reasonable and sound conclusion that the meat of the whole matter lies in making good banking laws, then enforcing them by strict examinations, closing up the insolvents and not allowing them to dissipate good assets for years after insolvency, as has been the case all over our country? Limit failures, and panic conditions will be ameliorated. Good banks ought to court investigation, and the people should insist on rigid investigation of all banks to weed out insolvents. Let us give to the fifteen millions of thrifty people of the land, who entrust ten thousand million dollars of their hard earnings to our care, all that protective, wholesome laws can give, thus broadening confidence, and failures will be less calamitous.

The Savings banks and trust companies each have their legitimate sphere and should be regulated on conservative lines, according to their methods of doing business. Less reserves are required, as they have less demand liabilities, and much of their loans are of a different character than are those of a strictly commercial bank. All banks doing a commercial business and to the extent of their demand liabilities should be governed somewhat on the lines of the National Currency Act—the safest bank act ever devised by man. Comptroller Ridgely asserts that the National system has "an unequalled record of soundeness and safety." A careful examination of the world's history conclusively proves his statement. We must not forget that Old World banking is subject to practically no supervision or regulation compared to the National Currency Act.

Nevertheless, in view of the fact that National banks are not increasing in the same proportion as other banks, due, doubtless, as stated by the Comptroller, to the desire "for greater freedom from control, weaker reserves and less careful management," there is no doubt that many National bankers are chafing under some of the rigid rules of the act, especially limiting to ten per cent of capital loans on public market cash collaterals, and in country towns, where commercial paper is scarce, to a limited amount of loans on mortgage. Perfection is impossible of attainment. Reason alone should reign, and if the lines of regulation are drawn more closely, I fear the downfall of the system will take place. In the interest of the great public benefits at stake, may not over-rigid regulations destroy this most beneficent act.

THE PARAMOUNT PANACEA.

When panic threatens the profoundest problem is, How can it be prevented or ameliorated so that banks can promptly respond to the insane demands of the frightened depositors for cash, and how can the banks be put in condition to discount freely to all solvent parties in order to prevent the paralyzing effects of the collapse of trade and industry in all branches, which is inevitable when forced liquidation takes place and which is so destructive to labor and capital alike, in substituting soup-houses and tramps where the hum of buyers and sellers ought to be uppermost.

Political economists in all ages have wrestled with this knotty problem with indifferent results.

GREAT BRITAIN.

Prof. Sumner in his condensation of the celebrated "Bullion Report of 1810" to the House of Commons, says: "In the presence of a panic the duty of the bank is to discount freely to all solvent parties." And although Sumner says, "Its doctrines are the alphabet of modern finance—they are no longer disputable,"—yet no provision by law was then nor since made to pay frightened depositors and to discount freely to all solvent parties.

The banks of Great Britain in 1844 were restricted on issues of bank notes to the amount then outstanding by the banks then existing. Seventy per cent of the right of issue of those banks which have closed since 1844 has reverted to the Bank of England, thus reducing the total uncovered issues allowed to banks in general, all of which are subject to the unlimited liability act as to note issues, to the small sum of approximately £8,000,000, and has increased the issues of the Bank of England since 1844 from £14,000,000 to about £18,500,000 based on securities. All other issues of the bank are covered with gold coin or bullion, thus making the notes practically a gold certificate and giving the Bank of England the sole right of issue in Britain. As extraordinary troubles require extraordinary remedies, in order to ameliorate some of the calamitous panic conditions which have overtaken Britain, history says, the Bank of England in 1847, 1857 and 1866, after the panics had paralyzed her progress, on the assurance of the Government officials that no prosecution would follow, suspended the bank act as to issuing notes only on the deposit of a like amount of coin or bullion, and it issued notes to the banking department on deposit by it with the issue department of ample securities. This was an unlawful act, giving elasticity to the currency, but it placed the banking department in an easy condition to "discount freely to all solvent parties." Again, in 1838, the bank borrowed £2,500,000 from the Bank of France during panic conditions, and in 1890

during the Baring troubles she borrowed £3,000,000 more; also £2,000,000 from other sources, and the panics were stayed. The apparent necessity for these extraordinary acts was that the country had reached a commercial crisis where good securities could not be sold for cash. Suspension and consequent ruin were staring sound commercial houses and banks in the face.

In each case the action of the bank afforded instant relief and doubtless saved hundreds of millions of dollars to tottering houses unable to meet payments except for such relief. As soon as the pressure was over the illegal issues were retired.

As history shows conclusively that financial revulsions in Great Britain in the past sixty years have been more calamitous than those of our own country, thus disproving the claims of the advocates of branch banking and asset currency that they are a panacea for panics; as the commercial banks of Britain carry about one-half as much reserves against general liabilities as compared with ours, are we not justified in concluding that an insufficient reserve is at least one of the underlying causes of their troubles? If so, we can consistently join in the just criticism of the London "Economist" in asserting that Great Britain's four per cent of coin reserve against the £825,000,000 of liabilities to the public of her banks, is clearly the cause of the sensitiveness of her money market. The "Economist" advocates a reform of Peel's act of 1844, advises larger reserves to preserve confidence which has so often been rudely shaken and which is necessary to all progress and stability, and says that probably nothing short of a cataclysm will demonstrate the necessity for such change. Britain's proverbial lethargy in this respect is paralleled by her tenacity in holding to her antiquated railway cars and her abominable pounds, shillings and pence. Should Britain provide for larger reserves, which are about half of ours, and legally empower the Bank of England to relieve extraordinary pressure on the same lines, as in 1847, 1857 and 1866, before paralysis takes place, she doubtless would minimize serious panic conditions as far as it is possible to do so.

FRANCE.

The Bank of France has had the sole right of issue in France since 1848, and to-day has the right to issue one thousand million dollars of notes and is not restricted to the holding of coin or Government securities for every dollar of notes issued, but voluntarily in respect to reserves against note issues follows nearly the same line as does the Bank of England. Her coin reserves have approximated eighty-five per cent. of about $800,000,000 average note issues for some years past. Under very conservative management the right of issue has been so carefully guarded that France, although subject to financial revulsions, has doubtless escaped serious trouble at times. We must not forget that the Bank of France is more a bank of issue than a bank of deposit, as her deposits are exceeded to-day by both the National City Bank and National Bank of Commerce, of this city, while the First National Bank is a close third.

GERMANY.

With the exception of only five banks, which are allowed to issue eighteen millions of dollars of uncovered notes, the Imperial Bank of Germany monopolizes that right. The bank is allowed to issue now about $100,000,000 uncovered circulation under certain restrictions. Any excess over that sum must pay five per cent. interest per annum to the Government for the right. This excess issue is the only true solution to obtain relief under panic conditions, as the interest rate will certainly retire the redundant currency as soon as the presure for funds is over, thus preventing inflation, which must be guarded against as one would guard against an insidious disease.

If we add to the foregoing Austria, Belgium, Netherlands, Norway, Denmark and Russia that have only one bank of issue each, and all are under such careful restrictions as to coin reserves against notes, that their combined uncovered circulation approximates but a little over $600,000,000 as against nearly $600,000,000 uncovered circulation in the United States alone, we should be impressed that if we are to be guided by the experience of older nations, we must discard the thought, as they have done, of the right to issue uncovered notes, except through the great centralized institutions, and then only as temporary relief measures and not for profit. If we except Britain, all the countries named have provided through their great centralized banks for currency issues under careful restrictions, which generally gives the relief sought by us. A circulation issued by banks with material profit in it means expansion. If the big and little banks of this country were to throw out a life-line at will to the over-buoyant in the shape of asset currency, I fear the plungers would be swimming beyond their depth continually; therefore some relief measure under careful restrictions to prevent inflation should be found for use under panic conditions.

If the banks of Europe and three-fourths of those in the United States survive and prosper without circulation, why cannot the other quarter survive on the same diet? The National banks profited in their early years on circulation because bonds drew high rates of interest, and thus they were fully compensated for their patriotism, but now the profit is so slight few banks care a continental whether they issue currency or not.

QUANTITY VS. QUALITY.

As the quality of our money is fixed, and under natural economic laws the quantity is ample for all legitimate requirements; as the ebb and flow of gold from nation to nation, which no barrier can stop, is governed also by those same natural laws; as the fluctuations in the rate of interest, coupled with these natural laws, are the proper barometric signals that ought to inspire conservatism and check undue expansion of credit when rates of interest are above normal, why should we be eternally tinkering with the quantity of money in the country? Many good men believe interest rates can be equalized by currency issues. All history disproves the theory.

It is a maxim of political economy, that when the quality is fixed in rich countries, the needs of commerce will settle the quantity. Prof. Jevons asserts, under such circumstances, the last thing a statesman should do is to attempt to regulate the quantity. Therefore, if ordinary occasions are provided for, the paramount question is, How can we provide cash to pay depositors and to loan to all solvent parties when panic threatens and have that cash return to its reservoir as soon as the pressure is over, to prevent inflation?

Shall we adopt the European method and establish a great central bank with conservative powers to accomplish the object sought? or, shall we provide through several thousand independent National banks for the issue of credit currency as such relief measure? The consensus of opinion seems to answer, no! Personally I do not see any serious objections to a great central bank as fiscal agent for the United States and as a bank of the banks, somewhat on the order of the Bank of England, but with full power to legally issue currency under a five per cent. per annum interest rate on deposit of securities, as was done by that bank in 1847, 1857 and 1866, as an elastic or emergency measure to throttle panics in their incipiency, but I suppose the banks holding Government deposits would object.

The nearest sound solution of the second question comes from our able Secretary of the Treasury, and also from the committee's conservative report of last year before this convention. Both advocated the issue of relief National bank notes in excess of present issues, under a five per cent. to six per cent. interest penalty to ensure its retirement after the temporary pressure for funds is over. This tax, which is the essence of soundness, in compelling the return of the extra issues back into the reservoir to be ready to quench the next fire and also to prevent inflation, has been, to my mind at least, altogether too freely criticized. I fear that some critics have allowed selfishness as to profits to outweigh the necessity for relief. Many good men have declared they would issue no currency and pay five per cent. on it. Under ordinary conditions, of course, we would not, but under extraordinary conditions when frightened depositors are demanding cash; when country bankers are necessarily withdrawing reserve balances, and solvent merchants and manufacturers are calling for loans to pay bills and keep the wheels of commerce from being stilled, where is the banker that will not temporarily provide cash, if possible, at a five per cent. interest rate, to meet these demands, instead of slaughtering sound securities in markets when at such times even Government bonds cannot be sold for cash except at ruinous prices? Let the old-experienced banker, who has been through this mill, answer. It seems to me that we all ought to subscribe to the committee's report if we could but confine such issues to the great centralized banks.

National calamities are not born in country towns. Panics are bred in great cities where colossal promotions flourish; where most, not all, banks fail to reduce interest-paying rates when money is easy; where the Cashier is discharged (according to Secretary Shaw's witticism) when the board of directors find him with $50,000 surplus reserve; where the reserves are loaned to the stock jobbers that ought to be held to meet the call of the country banks for their own deposits to move the crops. Then when the stock jobber is called upon to liquidate, he must attempt to rob Peter to pay Paul, but because of the lack of a proper cash reserve generally, stocks decline on forced sales to obtain cash and general liquidation takes place.

This fall doubtless will be an exception. Last year in my debate with Congressman Fowler on the asset currency question before the Wisconsin State Bankers' Association, I challenged any man to prove that since 1893

there had been more than two fall seasons when the money market was above a normal or reasonable level, and then speculation, and not crop movements, was the primary cause of trouble. The "Wall Street Journal" in an able editorial said my case was won if I could prove that assertion. I reiterate it. The best condensed proof is in the Annual American Encyclopedias since 1893 under the caption of "Financial Review," to which reference is respectfully made.

Conservative people in all pursuits do not allow a little surplus cash to burn their pockets when they know extraordinary payments will soon require its use, and bankers ought to be the leaders in conservatism. If the central cities are the occasional sinners, why should they not provide the occasional remedy? Again, they are far better equipped with the right kind of cash collaterals on which to base these temporary issues.

In the consideration of this all-important question, permit four suggestions:

1st. Why not empower the Government to issue but one kind of note, to-wit: a legal tender note payable on demand in gold coin, and substitute it for all other Government issues of legal tender notes, as well as gold and silver certificates, thus simplifying and absolutely settling the quality question of all Government issues?

2nd. To prevent locking up money in the Treasury, provide for depositing all surplus funds over current requirements in the banks.

3rd. Raise the limit of reduction of National bank notes from $3,000,000 to $6,000,000 per month.

4th. At the session of this convention in San Francisco last year, in discussing the report of the currency committee, which allowed all National banks to issue emergency currency, secured by a deposit of securities with the Treasury Department under careful limitations and a six per cent. per annum tax, I voted for that report because I agreed with its underlying principles and only differed in detail. May I briefly reiterate the reasons therefor, as we need all possible light in settling this all important question with the largest possible safeguards against abuse?

The committee's report confines relief to National banks alone. I do not see why The Manhattan Co. or Bank of America in New York city, the Illinois Trust and Savings Bank, of Chicago, or Wells, Fargo & Co., of San Francisco, and kindred organizations should not be entitled to the same assistance. I would therefore grant such relief to the great centers through their clearing houses by legalizing "clearing-house National bank notes" on practically the same form as present issues. Any member of the clearing-house desiring such advances, must deposit with the clearing-house ample cash collaterals approved by its committee. The clearing-house certificates should be forwarded to the Comptroller of the Currency and exchanged for such notes—five per cent. interest being charged from the date of such issue to the day the borrowing bank deposits funds with the United States Treasurer to redeem the outstanding notes. The certificates will then be returned, exchanged for the deposited securities, and cancelled. Such advances should be held as strictly private.

This method will prove extra cash, not only to National, but to State and Savings banks, trust companies, or any other clearing-house bank in times of financial stress. Country banks in calling for their own deposits, will not as heretofore be met with the reply, "No currency is going out of the city." The burden upon the reserve cities will not be great, because $33,000,000 in clearing-house certificates in the 1873, and $66,000,000 in the 1893, panics sufficed to restore confidence.

With this method no political tinkering will break down the bars, but the conservatism of the clearing-house committee will prevent unnecessary issues, the rate of interest will prevent inflation, and redemption will automatically take place as soon as pressure for funds is over. This method is far better than the clearing-house certificates of 1873, 1884, 1890 and 1893, because it provides cash to pay depositors and to loan to all solvent parties, and also to meet country demands, whereas certificates could not. It is equal in effect to the 1847, 1857 and 1866 Bank of England illegal issues, which allayed panic conditions at once. It will check the bears in their black Friday onslaughts. The Secretary of the Treasury could then heave a sight of relief from pressing importunities. When one is seriously ill, doping with sweetened quack medicine rarely relieves, but unpalatable medicine may be necessary to recovery. Knowing periodical distress will come, why not provide a remedy on lines unquestionably sound which we know will relieve, if not absolutely cure? In the matter under discussion the trend of all progressive countries is toward the concentration of the power to issue emergency currency. May the statesmen of this country, which is advancing by leaps and bounds far ahead of all competitors in general progress, not fail to provide such relief in some form, the benefits of which will be incalculable. I care not what that plan may be, provided it be on such sound

lines that our standard of value may never be tarnished, that distrust may be dispelled, and confidence, that bulwark of all progress, may be ours to the fullest possible extent.

THE PRESIDENT: Gentlemen of the Convention—You will now listen to a paper on "The Western Banker," by Mr. W. C. Robinson, President of the First National Bank of Winfield, Kansas.

THE WESTERN BANKER.—ADDRESS OF W. C. ROBINSON, PRESIDENT FIRST NATIONAL BANK, WINFIELD, KANSAS.

MR. ROBINSON: Mr. President and members of the American Bankers' Association and Ladies:

Where, oh where, is the land of the West?
Who can define its uncertain domain?
With ambition that never permits it to rest,
It pushes its border 'cross valley and plain.

What, oh what, is the land of the West?
Who can tell of its changeful mood?
That quickly shifts from the worst to the best,
Intolerably bad, exceedingly good.

Oh, land of the West, broad land of the West,
Fret not at the slurs that prouder folks fling;
With virtues and charms excelling the best,
Thou needst not any thy praises to sing.

Thy mountains look down on the East country's hills,
Thy rivers laugh loud at her babbling brooks;
By thy harvests and herds, her hunger she stills;
To thee, e'en for kings, she regretfully looks.

Oh, land of the West with sunburn and tan,
With freckles and blotches spread over thy face,
I love thee as love I the face of a man
Nor living nor dying shall scorn thy embrace.

The Western banker is practically the product of the last decade. Until that time the West and the Western product were not considered of much importance. Indeed, I well remember when a man from the West, and especially the Western banker, was looked upon not only with suspicion, but with absolute distrust. The West was considered for many years the birthplace of the wildest vagaries, prominent among which was Populism. Free silver—16 to 1—if it had not its origin in the West, found there its strongest and most brilliant advocate, the Hon. William Jennings Bryan, a born master of men. While Populism and free silver are considered among the Western inconsistencies, they were not without good results. They both served as educators or renovators. They were as pebbles thrown in the business oceans, starting the waves of agitation. From this agitation the public mind was awakened, the pitfalls were cleaned up, Niagara was seen ahead in time to avert a calamity, and today the West stands as Gibraltar. Until after 1893 the Western banker was in a sense a missionary. Business ideas and methods were in a chaotic state and confusion seemed to have full sway. The field in a commercial sense was as much unsettled and at variance with prudent ideas as any real missionary field. The Western banker was, therefore, an educator. He was compelled to shape and mould commercial ideas and methods. For many years it was difficult to divide the land from the water or to determine whether the sun would rise in the East and set in the West, or vice versa. The years from 1873 to 1893 were fraught with many disturbances; we would no more than have cleaned up the debris of one convulsion, than another was upon us. The Western country was storm-swept, beginning with the volcano, as it were, in 1873, followed by the slighter disturbances of 1884 and 1890, until the country was overwhelmed by the cyclone of 1893, known as the panic of panics. During these years the Western banker was the chief sufferer. He was in every way handi-

capped in his plan of developing the commercial ideas of the West. He remained bravely in charge, acting as both master and servant. He was willing to do anything to promote the great and glorious work in hand and much of the time, as it appeared, "without the hope of fee or reward." The panic of 1893 was really a "blessing in disguise"; it was the cleaning up storm; it was the culmination of the storm period, and so purified methods that a better atmosphere has been breathed since. The Western banker during these years was the target. His methods were criticised and his motives were often impugned. Had he not been a man with more than ordinary faith in his undertakings, he would have despaired. He had, however, faith in his ideas, in himself, in his possibilities, and in the country he was developing. He worked on with indomitable courage until his hopes ended in fruition. The Western banker today stands alongside of his Eastern brother. In one respect, I think, the Western banker is entitled to the most credit. He was not only compelled to stay by his own convictions, but he took a varied population and brought it to his way of thinking. He had not only to train and build up himself, but he had to train and build up the country and its people.

You will all agree with me when I say that Kansas is a typical Western State, if not more so, and the Kansas banker is, therefore a typical Western banker. The history of Kansas is much like the history of the bad boy at school—condemned for every bad deed, but never complimented or credited. It is quite so of the entire West. The past has proven, too, that the outcome of the West is much like that of the bad boy. When the training period is passed, the bad boy outstrips in achievements. In tracing the history of this country we must be convinced that the West is the storehouse, full of the products of the earth both from its surface and from its bosom; therefore, rich in grain, in stock and in minerals. It is not behind either in mental and physical activities. The greatest minds that this country has ever produced, if not born in the West, have been brought up there. First among them is the great Lincoln—purely a Western product. His few but surely inspired words on the battlefield of Gettysburg will live as long as life and language endure. We could mention Grant, Logan, Douglas and scores of others who from the West have made for themselves names that will live longer than time, who, if they get their just merits, will spend the endless future with the gods and in Elysian fields.

STRONG FINANCIAL MEN OF THE WEST.

The ordeals through which the Western banker had to pass schooled him for adversity, and developed a fuller capacity for the enjoyment of the fruits of prosperity, which he is now having in a large measure. We thave passed through the period of infancy, and the more drastic and scourging time of youth, and have now arrived at strong and capable mannood. We have spent our forty days in the wilderness in fasting and prayer, and are now entitled to the fruits of our labor. During the most trying period of his existence the Western banker was aided in his work by the wise counsel and prudent management of one of the ablest men who had, until that time, occupied the office of Comptroller of the Currency, the Hon. James H. Eckels. He was helpful in every possible way, and saved the bank to the people and the people to the bank. James H. Eckels seemed to have been peculiarly fitted for the place and for that special time. He was a Moses, saved for that purpose. He was one of the great Grover Cleveland's wise and prudent selections—a Western product and today a successful Western banker. He has been succeeded by the Hon. William B. Ridgely, a sagacious and safe leader, who had been, with his father before him, among the most prominent Western bankers. The West feels complimented in having among the President's cabinets such men as Lyman J. Gage, Leslie M. Shaw, J. Sterling Morton and his distinguished son, Paul Morton. The first two were prominent Western bankers. What a quartette of strong, capable, sturdy men! Of all of these, the West is eminently proud.

WESTERN BANKERS SOUND VIEWS ON CURRENCY AND BANKING.

The Western banker has always been right on economic questions. He did his full part in the great battles of 1896 and 1900, when our money standard was at stake. The Western banker has always been a firm believer in the full value of the dollar, and that the dollar of any stamp should be worth one hundred cents. When the great free silver champion was looking for a prominent banker for his service and co-operation he passed the Western banker and found his man in this great city. For the one hundred cent dollar, the Western banker has always talked and worked and

voted, and today he stands right on the questions of branch banks and asset currency. He believes that every bank should stand on its own foundation; he does not believe that the Western town should be satisfied with a bank, the branch of some great city bank. He believes, too, that our currency, today, is sufficient to handle the great business of our country, and that good crops and confidential relations between the banks and the people are the proper and full solution of the currency question. He is also a firm believer in the efficiency and perfect adaptation of our present National banking system to the wants of the country and our times.

The convening of the bankers of the United States in the greatest city of the world is an event of no small import. Out of it ought to come results commensurate with the individuals composing the gathering and the city that is the magnificent host. It represents the choicest business minds of this great commercial country. The good achieved by this convention ought to be immeasurably great. The bankers of our country ought to be, and are, the cream of the business world. For integrity and uprightness of character no class of men outrank them. It must be so, or the business of this country would not be so successfully handled. The banker, to the community, is like the priest to his parishioners. He is the arbiter of their differences; he is the altar upon which confessions are made; he is the weigh-master, with his supposed fairness, his comprehensive information and his undoubted integrity, the scales upon which transactions are weighed. Such then is this assembly and without egotism we ought to and must accept this situation. And this great and marvelous and continuously growing city that is entertaining us! What shall we say of her? England has her London; France has her Paris; Scotland has her Edinburgh; Germany has her Berlin; Russia has her St. Petersburg; Italy has her Rome; but New York City belongs to the world. By her prominence, her prestige, her situation and her ability she rules the world. She is great in every way and every day becoming greater. Every part of the world justly pays her tribute.

THE PRESIDENT: Gentlemen of the Convention—The next paper was to have been read by the author, Mr. Eugene E. Prussing, of Chicago. I regret very much to hear from him today he could not read it in person, but his partner, Mr. Frank H. McCulloch, will read Mr. Prussing's paper, which I think is a paper of great interest, and I have the pleasure of introducing Mr. McCulloch.

Mr. McCulloch read Mr. Prussing's paper as follows:

NATIONAL BANKS AND THE TRUST COMPANY PROBLEM.—ADDRESS OF EUGENE E. PRUSSING.

The purpose of this paper is to briefly consider the situation which has arisen in the last fifteen years, though it has only recently become acute in its manifestations, and which has been not inaptly though not quite accurately called the "trust company problem."

It is considered safe to assume in this audience not only the existence, but also the importance, of the problem. The first consideration is to define its character, the second is to learn its cause and history and the third and last to suggest a possible remedy.

Broadly speaking, it may be defined to be the anomalous condition of affairs which permits the existence in the same community, side by side, of two classes of banking institutions competing for practically the same business, namely, deposits, one of which is quite strictly limited in respect to its investments and guarded by definite requirements in respect to its cash reserve, while the other is practically free from both these wholesome restraints. These two competing classes are the National banks, organized under the National Banking Act, on the one hand, and the State banks and trust companies, organized under State laws, on the other.

The situation is peculiar to this country; it does not nor did it ever exist in European countries; its essential characteristic is legal.

The reason for its existence is to be found in our dual form of government, our separation of State and national affairs and the questions of policy arising therefrom.

The existence of the problem has little or nothing to do with the nature of the banking business. Technically speaking, from the standpoint of banking science, it is an accident.

Its immediate cause lies in the failure of the National Banking Act to give National banks powers as broad as those given to the State banks and trust

companies by the banking laws of the various States enacted in recent years and commensurate with the modern requirements of the business. The National Banking Act provides for only commercial banks which were the chief need of the public at the time of its enactment. Since its enactment new and great public needs have arisen, which the National banks have not been able to meet.

The main point in the situation is this: State banks and trust companies generally are authorized to do a general banking business, that is to say, to receive deposits from and make loans to commercial, savings, trust and all other customers, while the National banks are confined to a limited banking business, they are authorized to make only commercial loans, and thus practically, though not legally, to receive only commercial deposits. All other deposits naturally tend to the State banks and trust companies.

Broadly speaking, State banks and trust companies are not regulated by law in their investments and loans, and there is practically no requirement as to their cash reserve, while the National banks are closely guarded by law in both respects.

If the National banks as a class are to maintain their positions as the leaders in the business, something radical must be done with the legal situation thus created.

The question is, how should this be done? The facts necessary to a consideration of the situation are these:

Our National banks are, legally speaking, the result of an exercise of the powers of the Federal Government with respect to war and the currency, for the purpose of aiding the Government in the great operations involved in borrowing money for and paying the expenses of the War of the Rebellion. When they were created, their existence was regarded by many as temporary. Their continuance for forty years after the close of the war, in times of peace, is evidence of their value as instruments of commerce and their helpfulness in furthering the prosperity of the nation. The means they were to employ in aiding the Government were to issue curency based upon the deposit of Government bonds purchased by the banks and to facilitate the sale of government bonds to the public. As an incident to this business they were authorized to receive deposits of money, but were authorized to loan money only upon or in discount of commercial paper and bills of exchange.

These limited powers have placed them at a disadvantage in modern days, when the demands of the public for savings banks, trust companies and other financial agencies have largely increased the field of banking operations, so that to-day instead of being far and away the leaders in financial affairs, they are struggling for place and are obliged to ally themselves with institutions of the trust company class to maintain a fair position with the leaders in the financial world.

The reason for this situation is not far to seek and the remedy is an obvious one, but the difficulty in bringing the two together and thus relieving what may become a public misfortune may not be easy. Reforms of a financial character involving national legislation, though in merely administrative or other subordinate affairs, are very slow of enactment. They require a long campaign of education to arrive at an understanding on the part of even our legislators, for the subject is to most of them terra incognita, and the public has an undefined fear of anything the National banker wants.

That an expansion of the powers of National banks has become a necessity to the legitimate exercise of their functions as parts of the machinery of the National Government, should require no long argument. A statement of the present power of National banks, coupled with a short historical review of the development of the general banking business, which has resulted from the needs of our Government and people since National banks were first established, will easily demonstrate the fact, and should arouse a demand that the undisputed powers of the National Government should be exercised to give its sanction to the grant of further authority to these institutions, commensurate with modern requirements.

The refunding operations after the war justified the continuation of the National banking system when the first charters began to expire in 1884 and a renewal of charters was granted. Since then these institutions have become so thoroughly a part of the Government machinery and a necessity to the public that their abandonment would be regarded as a long step backward.

The science of banking at the time of the establishment of National banks was at a very low ebb. It had not progressed very far in this country at any time, though the subject of much political contention and legislative action. The panic of 1857 and the breaking up of commercial relations with the South at the beginning of the war, with the consequent great losses to all engaged

in commercial pursuits, especially banking, had reduced the number of banks and their operations to an almost irreducible minimum.

The financial needs of the country were being served by a comparatively few survivors of the commercial State banks, the New England and New York savings banks and their imitators in some of the other States, private bankers of various kinds and a very few, perhaps six, trust companies.

The needs of the country during and immediately following the war, the profitable privileges conferred upon the National banks, the patriotic sentiments which both inspired, the successful management of these banks and their careful supervision by the National Government, in spite of a number of disastrous failures among the banks, created public confidence, and naturally resulted in the growth of the National banking system, until it became the chief financial element of the country, and until 1890 it was without a serious competitor in its leadership in financial affairs.

In the early eighties, the United States had, financially speaking, recovered from the disastrous effects of the war, and the panic of 1873; we were rapidly paying off the national debt and the people were accumulating a surplus.

The need of investment for this surplus, which no longer found lodgment in Government securities, created a demand for proper agencies, especially in the East and Middle West, and the limitations then as now existing upon the powers of National banks, turned the thoughts of enterprising persons into other chanels.

State banks had been almost wholly abandoned because their profitable feature of issuing bank notes had been taxed out of existence by the National Banking Act. A few exceptions in some of the States, notably Illinois, maintained their existence chiefly as savings banks, or, if engaged in commercial business, were sustained by reason of the extraordinary character of their stockholders or officers or both.

In New England and the Middle Eastern States savings banks of an especial type had grown up, and besides these and the National banks, perhaps a dozen of institutions know as trust companies had been established under State charters, and in nearly every instance had flourished.

These trust companies were really banking institutions. The name "trust company" did not truly describe the chief part of their business; they received deposits which they mixed with their own funds and for which they became bankers and not trustees.

These deposits, however, were of a then peculiar character in two respects, viz., they were not payable on demand and they bore interest. They were usually taken upon certificates of deposit, payable generally upon short notice, or at a time stated not exceeding one year, and bore a rate of interest varying from 2 to 6 per cent., usually less than 4. Such deposits, while not unknown in the National banks, were exceptional in them and were not encouraged, as they involved payment of interest, and the payment of interest to ordinary customers was then considered bad banking.

The trust companies, however, solicited these deposits from that increasing class of the community of recent growth known as investors, and naturally as their business to begin with was limited, looked also to other business for support and profit. In lieu of the patriotic element with which the National banks were invested, the trust company had received another, but also very worthy, characteristic.

The father of the trust company selected the agency legally known as the fiduciary trust as one of the chief elements of his creature's compositions and impressed its sacred name upon his child, a most happy and successful thought.

The administration of trusts by trust companies is, in fact, not essentially different from and no more important than the execution of ordinary financial agencies by other banks throughout the financial world, but the character given to this particular class of agencies by its legal derivation, the sanctity with which it has been enveloped by judicial and legislative action, as well as the popular imagination, makes it a highly valuable trade mark. Nevertheless, we all know that the agency involved in making an ordinary investment for an inexperienced man or woman is no less serious and should be regarded as no less sacred.

The public appreciation of this trade mark, however, in the case of the dozen trust companies referred to was sufficient to favor them with very considerable patronage and to make several of them, particularly in New York and Philadelphia, leaders in deposit lines, so that bankers generally began to consider them desirable adjuncts to the financial scheme.

The trust companies in question were all acting under special State charters, much alike in their chief features, but differing in details. They were not all incorporated exclusively for trust or banking purposes, but included

fidelity and other insurance and like business, not of the banking type, in some instances.

In 1884, except in the States of Minnesota and Pennsylvania, no general law existed in any of the United States under which the incorporation of trust companies was possible, and there was as yet but little demand for them.

A suggestion made in October, 1884, by the writer, to the President of a Chicago bank engaged in a savings and commercial business under a State charter, and having the power to accept and execute trusts, which it did not use, resulted in a conference on the subject, in which it appeared that the chief difficulty in the administration of trusts lay in the necessity of giving a separate bond, with sureties, in court, in each estate. This requirement was a great burden, tedious in its delays and multiplicity and impractical in the length of time the bond lasted, especially in guardianship cases.

The Illinois Constitution forbids special laws, so it was suggested that an act of the Legislature, general in its character, applicable to all companies which then had or might thereafter have the power to accept and execute trusts, could remedy this difficulty by substituting in lieu of the objectionable special bonds a sufficient deposit of securities with the State for the benefit of all trusts accepted by the depositing trust company, and further providing for regulation, examination and visitation, of the trust companies by the State and the courts, as well as requiring reports by the trust companies.

The result was the preparation of a bill for "An act to provide for and regulate the administration of trusts by trust companies," which was submitted to the Legislature of Illinois in January, 1885, but failed of enactment in the long deadlock of that year in the Senatorial contest between General John A. Logan and Mr. William R. Morrison. The bill and its purposes were very thoroughly advertised, however, and attracted widespread attention throughout the country. In January, 1887, the bill was again presented to the Legislature, and in June, 1887, an act was passed accordingly, from which however, part of the powers desired were omitted, but in which the principle involved was fully established and all details of security and examination were settled.

In 1887, also, New York passed a similar general law for the establishment of trust companies as the result of the Illinois agitation in 1885.

In 1889 Illinois completed its law by amendment granting the powers omitted in 1887. The Illinois act has been in force even since, and, except for slight amendments intended to extend its benefits. Repeated attacks upon the act by designing persons in the Legislature and the courts have only served to make many of those who first were honorably opposed to it in principle or in policy, its warmest defenders. The courts are its chief supporters.

The Illinois Banking Act of 1889 passed in connection with the second branch of the Trust Company Act, enabled all State banks to accept and execute trusts. This greatly stimulated the business. From these beginnings, the wave has spread across the country until now only ten States in the Union are without laws to create and regulate trust companies, and the United States Government has accepted the principle involved by enacting a similar statute applicable to the District of Columbia.

The establishment of numerous trust companies which promptly followed the enactment of these laws, the leadership of Mr. Stewart, of the United States Trust Company, in the refunding and other financial operations of the Government during Mr. Cleveland's second term, and the usefulness of the trust companies and sundry private banking houses employing trust company methods in these and other great financial operations after the panic of 1893 soon evidenced the value and profitable character of these institutions and rapidly increased the public appreciation.

The multiplication of trust companies and their competition with private and National banks, which necessarily resulted, induced the early abandonment of the certificate of deposit plan as the sole method of receiving funds in trust companies. Deposits were soon received by nearly all trust companies subject to check, while interest was paid by them on daily balances, in the European fashion, so that many National and other commercial banks have been forced to follow their example in that respect.

The public demand for interest on deposits and for these broader financial agencies under State sanction has caused the establishment of so many and such powerful institutions of the new type, until to-day the State banks with trust company powers have become at least equally important factors compared with National banks.

In that connection I may be pardoned if I step aside a moment to illustrate by an anecdote the main point in the so-called trust company problem. When I came to New York in 1884 to examine the subject of trust companies in the preparation of the bill which afterward became the Illinois law,

Mr. Stewart, the President of the United States Trust Company, gave me the most kind and useful assistance. In the course of my investigation I questioned him rather closely respecting fees and charges for services in the execution of trusts. After giving me many details, he summed up the subject by saying: "Don't bother too much about fees and charges—never let them control—get the business. What you want is not fees, but deposits."

TRUST COMPANIES HAVE BECOME BANKS OF DISCOUNT AND DEPOSIT.

And so the situation is this: The trust companies have changed from depositories of funds for or awaiting investment into general banks of deposit and discount, paying interest on balances and doing all kinds of financial business. They are the keen and successful competitors, not only of the savings and National banks on the one hand, whose powers are limited by law, and who are subject to certain requirements which the law properly imposes on them, but not on trust companies, but also, on the other hand, of the private bankers, against whom they are aided by that legal characteristic "incorporation," which the trust companies possess and which is denied the latter.

It certainly behooves the National banker, therefore, to look about him to consider this situation and map out a future course.

The banking business of the United States has grown in the last twenty-five years not so that it disputes with the older communities of Europe the leadership in the world's finance, as our newspapers would have us believe at times, but so that it is in the front line and has need of all modern machinery in its institutions and the time has come for the expansion of the powers of National banks unless they are to fall behind in the world's march of progress.

The patriotic and commercial value of these institutions forbids such a thought, and, therefore, let us examine their needs and try to supply them.

National banks now have power to receive all kinds of deposits—commercial, savings, trust and public. Their powers to use them are limited, they can only buy and sell securities, loan upon commercial paper or discount bills of exchange; short time or demand loans upon securities are permitted by judicial construction; but long loans, no matter how well secured, loans upon real estate and the acceptance and execution of trusts are denied them. The present provisions of the law in respect to their reserves are intended only for commercial deposits are unsuited to savings, time and other more or less permanent deposits and necessarily prevent their profitable use.

The result has been that such deposits go elsewhere, and the National banks are forced, in seeking the benefit of such deposits, to purchase stock in trust companies, participate in Savings banks, or, by the creation of special trust companies and Savings banks openly advertised as filial or allied institutions, to supply themselves with these adjuncts to their business, while investment and bond departments have furnished the means for some of the operations formerly performed by private bankers only.

These devices are not only in many instances inconvenient and even undignified, but they have sometimes proved disastrous. They are unnecessarily expensive, as well. The extra expense which results from this condition of affairs in the practical duplication of officers, clerks and officers and other items is so large and so obvious, that this alone in this era of consolidation of business and centralization of management should be a strong factor in favor of any change proposed. I am aware that in some instance a solution of this part of the problem has been very practically attempted by making the directors and officers of the National bank, also directors and officers of its allied trust and savings bank. These and kindred devices tend to a disregard of the law of the land, which cannot be without detriment to us all.

The situation calls for prompt and radical treatment if grave results are to be averted. The dangerous conditions experienced in this and other large cities in the past two and a half years in banking circles were very largely attributable to this condition of affairs. It is possible that proper regulation of the investments and reserves of State banks and trust companies under State laws can be achieved, but in the conflicting interests involved there is little hope of harmony of ideas or successful effort to protect the public, at present.

The National banks now at a disadvantage as carefully regulated and inspected competitors, must, I think, seek some other legal remedy, or must continue to bear a large share of the burden and dangers of the situation.

It is with great hesitancy that I suggest at least a partial remedy in the expansion of the National Banking Act, so as to cover modern conditions.

If it were so amended as to permit not only the acceptance of all kinds of deposits and banking business, including the administration of trusts, with corresponding power to make not only commercial, but also time and real estate loans, and long investments of savings deposits, all under proper reg-

ulations and in due proportions to the deposits received; with such further regulations as to cash reserves and reserve agencies as the different classes of deposits suggest and properly require, much would be accomplished in the right direction, by placing the National banks on an equal footing with the State banks and trust companies as to the power to do business, and giving the National banks the great advantage of proper legal restrictions and regulation. The amendments regulating investments and reserves would be comparatively simple matters, for we have many precedents in experience and in existing laws of various kinds.

The power to accept and execute trusts may require much careful hedging. It might be conditioned upon a compliance with the laws on the subject in force in the State in which the banks are located, or upon such special requirements as to amount of capital and the deposit of security with the Comptroller as are not contained in the act of Congress authorizing trust companies in the District of Columbia. These and other details may be left to future consideration.

The questions of policy and conflicts of interest which these considerations suggest are necessarily involved in what is apparent to us all, and must be met and solved sooner or later. It is not the purpose of this paper to do more than call attention to them. This organization should be the leader in meeting this situation and in organizing a patient, careful and scientific investigation of the subject, which will go far to produce a proper remedy.

THE PRESIDENT: It has been the custom and convenience at this stage of the proceedings to have a roll-call of the States. We have thought that the membership was so large, so many delegates and so many States being represented, that we would modify that custom and have a call of sections, so that as the secretary calls the sections, North, South, East and West, we shall be happy to hear from some one representing these sections.

The Chair would feel very sorry indeed if the effect of this modification was to close the mouths of all the orators that have been expected to respond for their different States, and I would not consider it by any means being forward for any orator from New York or New Jersey or Connecticut or Massachusetts to rise first. Don't wait for each other. Let us have some one from the North. If we cannot begin with the North, I know we can begin with the South, and I will be glad to please you by calling on Mr. Joseph G. Brown, the President of the Citizens' National Bank of Raleigh, North Carolina.

ADRESS OF JOSEPH G. BROWN.

That is a very beautiful custom, originating in New England, but soon spreading far and wide, that, at Thanksgiving Day, the scattered members of the family should gather again around the old hearthstone, and while enjoying the roast turkey and the toothsome pumpkin pie, tell each other of their achievements, their aims and their hopes.

In such a spirit, I take it, we are come to-day, not in pride and boastfulness, to proclaim aloud our deeds, but, as members of one great family, to rejoice with one another over our common prosperity.

The time is not far in the past when I stood before you and held up to view my own State as the one garden spot, and worthy is she of all that I said; but a trip across this continent from sea to sea, and later, from the great lakes to the gulf, has revealed to me the fact that not North Carolina, not the South alone, but this great country, has been highly favored of heaven.

The black lands of Texas in their fruitfulness, the Middle and Northwestern States in the richness of their soil and the wealth of their products, the East, with the busy hum of its marvellous industrial development, the far West, with its luxuriance of fruits and flowers and foodstuffs, wrested from barren wastes, and my own loved Southland, coming forth like a bridegroom from his chamber, all go to make up as fair a land, perhaps, as that which greeted the eye of Moses when from the mountain top he looked out upon a land flowing with milk and honey.

Happy am I that upon such an occasion I can bring you so glad a message from your brothers south of the Potomac. It would be of little use to occupy

your time with the oft-told talk of the desolation that stared us in the face in '65, before we discovered anew the beauty of the stars and stripes, and awoke again to the fact that its stars were our stars and its glory our glory.

Let us look rather upon what has been accomplished since that time, ever keeping before us the fact, however, that all that the South may be able to show to the world today dates from that period of absolute dearth.

JOSEPH G. BROWN, *President Citizens' National Bank, Raleigh, N. C.*

I shall not weary you with multitudinous figures, but will ask the privilege of printing in the record a few striking statistics, so admirably collated by the accomplished Editor of the "Manufacturers' Record" of Baltimore:

	1880	1903	Percentage of increase
Pig-iron, made, tons	397,000	3,300,000	791
Coal mined, tons	6,000,000	62,000,000	933
Value lumber products,	39,000,000	200,000,000	412
Capital in cotton mills,	21,000,000	200,000,000	852
No. spindles in mills,	667,000	8,250,000	1,105
Cotton consumed in Southern mills, bales,	225,000	2,000,000	788
Capital in manufacturing,	257,000,000	1,200,000,000	367
Value of manufacturing products,	457,000,000	1,600,000,000	251
Foreign exports through Southern ports,	261,000,000	508,000,000	90
Railroads, miles in operation,	20,600	60,000	191
Investments in railroad building from 1880 to 1901,		1,500,000,000	
Value of cotton crop,	313,696,000	625,000,000	99
Value of all agricultural products,	660,000,000	1,700,000,000	154

These figures will exhibit most faithfully the result of these years of toil.

The development of our railroads, the output of our coal and iron, the value of our minerals, the wonderful yield of our cotton fields, the products of our mills and factories, the increasing wealth of our banks, the ever-diminishing percentage of illiteracy among us, the growth of our schools and colleges, the broader, saner views of our people and their general thrift, and the bravery of our soldiers in defence of the flag—all these things gave

us the right to stand here to-day, not as the prodigal returned, but as the loving, loyal son, proud of his heritage, and proud of the opportunity he has had and is having to aid in making his land the glory of the world.

But, you ask, are these things true—or is this a creation of the imagination only? Let us see. Look for a moment at the Seaboard, the Coast Line, and the Southern Railways—those three great systems that are vying with each other in the development of our section. Take with me, if you will, the fast mail of the Southern and speed away through the very heart of the South, covering the fourteen hundred miles between New York and New Orleans in about thirty-one hours. Where can you find more splendid engines, finer trains, better service, greater speed or stronger evidence of railroad development?

Or, better still, take your place in the observation car of one of the frequent southbound vestibules that go with some less celerity, so that in passing you may get a birds'-eye-view of the country. Of course, ours is pre-eminently an agricultural section, but when prosperity smiles upon the field the glow is reflected in every direction.

What is the picture that greets the eye as you hurry southward? Broad acres that but a little while ago were bare and desolate, are now rich in cultivation, producing abundantly the golden leaf, so readily convertible into golden coin, while the silvery sheen of the opening cotton bolls reveals a product for which the world stands ready to pour out its wealth, and which, during the season just ended, brought into our section not less than $800,000,000.

The little town of Chadbourn, in North Carolina, with a population of only 500, is to-day the largest strawberry-shipping point in the world. In a single day she shipped 111 carloads.

From that immediate section during the last season the shipments of truck and the net cash returns were:

548,709	crates strawberries	$1,097,418
80,000	packages lettuce	120,000
126,570	packages beans, etc.,	116,570
11,443	crates strawberries,	22,886
102,000	barrels Irish potatoes,	225,045
90,916	packages cantaloupes,	136,370

And all this from lands that but a few years ago were considered almost worthless. The shipment of strawberries alone from this section would require a train of loaded cars eight miles in length.

Orchards of peaches and fields of melons, the prolific trucking districts, luxuriant gardens, great fields of corn and wheat and rice, and the cattle upon a thousand, evince the fact that, in addition to her money crop, the South is making her own bread and meat, with some to spare for her neighbors. And what more? Above the noise of the car-wheels, hear the musical hum of the mills and factories as day and night, with but little interruption, they are adding the value that brain and skill give to the raw product of the fields, before shipping it to the markets.

Note, too, the long trains of freight-cars on every side-track, loaded with our surplus products, on their way to help feed and clothe the world. See the villages growing into towns, and the towns into cities, all bustling with life and trade.

See the rude shanties of yesterday giving place to modern and well-equipped farm-houses, with their groves and beautiful lawns. See the improved cattle, the fine stock, the handsome vehicles—observe the happy, contented air of the people, their improvement in dress, in manner and education.

These things tell you, far better than any language of mine can portray, of the material development of that section of our country which we call the South.

As you witness all these things you will no longer marvel that our railroad mileage has grown to 60,000 miles, that in a single decade the business of these roads has about doubled itself, that whereas ten years ago the gross earnings of all of her roads were but $130,000,000, last year $132,000,000 was earned by five of them, representing about one-half of her total

mileage, while the other roads increased in like proportion. To-day we are told that notwithstanding their present splendid equipment, thousands of new cars are being bought in anticipation of the maturing crops, which bid fair to be the best ever made. A single line has recently ordered three thousand cars. Can there be any better index to the prosperity of a country than the prosperity of its railroads?

All these things are visible proofs of the statement that since 1880, although the population of the South has increased but sixty per cent., the value of her agricultural and manufactured products has been about trebled. The value of the cotton crop alone since that time has grown from $300,000,000 to $700,000,000, whilst the capital invested in manufacturing has increased by $1,000,000,000.

Her pig-iron, her coal, her lumber interests have all kept pace with the general growth. Her banks have not failed to reap the benefit of growing trade. Their capital, their earnings, and their resources have been largely augmented, and to them and their guiding hands is due much of the prosperity that blesses our people.

Figures might be multiplied indefinitely showing the material growth of our section, but time will not permit. The future is radiant with hope. The construction of the great canal, opening by shorter route a great gateway to the teeming millions of the Orient, can but accelerate the already rapidly-increasing commerce of our Southern ports, and stimulate trade in every line.

Little wonder that our old men dream dreams and our young men see visions. And the handwriting on the wall is not the "Mene 'mene tekel upharsin" that so smote with terror the Babylonian King, but on the great scroll, unrolled like a beautiful bow of promise across the heavens, methinks I see, in living letters, "Thou has been faithful over a few things, I will make thee ruler over many things."

It is said that all things come to those who wait. To the South the period of waiting has been a long and weary one, but in the glad fruition of her hopes, which a beneficent providence is now holding up before her, she will cease to look mournfully into the past and will use the means placed in her hands for the upbuilding of her country.

I have called attention to several of her products—shall I fail to mention that which is of most value, her men? She is giving to the world a noble set of men—men who in other sections, many in this great Metropolis, are guiding the great business enterprises that are so manifestly making this the industrial age of the world. She has already sent out many such, but like the widow's cruse of oil, her supply is unfailing. The more she gives away, the more she has left.

Finally, her wonderful prosperity has not deteriorated the character of her people. They are brave and loyal and true. There is a growing spirit of patriotism in the South. She teaches her sons, first, the utmost loyalty and fidelity to their own homes, to the towns and cities in which they live, and the institutions which they serve. But she does not stop here. She begets within them a pride of State, and inspires them with love for their own Commonwealth. And more than this, she takes them up on the mountain top, where the air is pure, and the vision unobstructed and points them to the world lying at their feet, and tells them it is theirs. From this eminence, city and county lines are obliterated, State lines are lost to view, and the eye looks down upon one vast united country, and that a nation of people not content to live within and for themselves alone, but who, looking out, over the waters that lave their shores, upon the isles of the sea and in other lands, see people less enlightened than themselves, and in a spirit of broad philanthropy, undertake to carry to them the light and liberty of American freedom, which under heaven has brought such blessings upon their own heads, and "The God of Nations is with them."

THE PRESIDENT: It has stirred our hearts to hear Mr. Brown, and I think we will stay in the same section a little longer, and I will call upon Mr. Lane, of Texas.

ADDRESS OF A. V. LANE, VICE-PRESIDENT NATIONAL EXCHANGE BANK, DALLAS, TEXAS.

Mr. President, Ladies and Gentlemen, Members of the American Bankers Association—Upon the shore of Destiny there sits alone a maiden, once most fair to look upon; but now, in garments torn, her eyes suffused with unshed tears, her head bowed low with anguish all unspeakable, she wrings her soft white hands and seems a veritable goddess of despair. A moment thus, and then she quickly rises to her feet, her proud head lifted high and in her eyes the light of a new-born resolution, as with clinched hands and heaving breast, she utters those two words that, in themselves, attest a kinship to omnipotence, "I will,"

And she sets about her work. Those hands, unused to work, are torn and bleeding, but they falter not, nor murmurs she at her hard task. New homes

A. V. LANE, *Vice-President National Exchange Bank, Dallas, Tex.*

from smoking ruins quick arise, the devastated fields are made to "blossom as the rose" and in the busy marts of trade the wheels of commerce once again are heard. The fires are lighted, and from many a towering chimney, strangely new, the curling smoke ascends on high and marks the advent of industrial prosperity.

Such to-day is the happy domain of this peerless Queen of her South—and her ambassador am I, sent with a message of sincere good-will to all of you assembled here; the which to frame into befitting words, her own sweet lips have charged upon my willing but unequal tongue. If then in aught I shall fall short, I trust you will accept the purpose evident for the accomplished fact.

She bids me say that all is well with her; her barns are full to overflowing and her fields of green are changing 'neath the ardent sun into a snow-white fleece that later on shall clothe the nations of the earth and levy tribute on their hoarded gold. The season past this plant alone brought in

three-quarters of a billion dollars, and now to do as well again bids fair, despite its enemies, the weevil, worm and "Wall-Street bear." Of all the exports from this realm last year, two-fifths originated in the South. Her lumber and her mineral outputs larger grow with each succeeding year, and church and school-house still keep pace with agriculture, mines and commerce, in the strenuous race.

And so she stands to-day, upon the threshold of this grand new century, so full of promise and of opportunity; happy in the present, proud of her past, and, therefore, hopeful of the future. That she has had and that she has momentous problems to determine, none have known and none know better than herself. But she will solve those of to-day as she has solved those of the past—in her own good time, in her own best way. And the solution will be true and fair—none other will she entertain. In letters, science and in art, in all things good and worthy, she has done her part. Her name is written high upon the scroll of Fame—and yet she loiters not, but presses ever onward, upward "with a heart for any fate, still achieving, still pursuing," she has learned "to labor and to wait."

Robert F. Maddox, Vice-President of the Maddox-Rucker Banking Company, Atlanta, Georgia. spoke as follows:

Address of Robert F. Maddox, of Atlanta, Ga.

The last time Carolina fired the first gun for the South the result was a little disastrous, and I hope we will be able to reinforce her a little better this time. Having been requested by the Georgia Bankers' Association to bring to the Empire State of the North from the Empire State of the South our most cordial greetings, and to the other forty-two States represented our sincerest good wishes, we are glad to meet with such a representative body of bankers in this Metropolis under the banner of "fraternity," upon the folds of which we can read from afar the propitious words of peace and prosperity.

About a hundred and seventy-five years ago, an English poet, writing on the new Province of Georgia, said:

> "Surely God hath left this spot of earth uncursed
> To show how all things were created first."

It is not surprising, then, that with such a soil and such a climate there has been developed between the Chattahoochee and the Savannah River a State of which any country might well feel proud. I know it has been said that among the early settlers of Georgia there were many brought from the debtors' prisons of England. If this were true, I am sure that the bankers of our State can testify that they all must had died barren benedicts or bachelors, for there is no trace of such hereditary infirmities in the commercial life of our customers today. Almost anything produced in the United States will grow and do well in Georgia. The percentage reports show that owing to the relative value of our farm-lands the products equal forty per cent. of the value of the farm-lands, and there never was a season in our history when Almighty God has so sent the seasons that our every crop has resulted so abundantly and brought such good prices. Our plentiful peach crop with its luscious flavor has brought our State the banner of first place in the peach-growing States of our country.

Our corn and hay crop has left the barns of our farmers full to overflowing. Our pine is now shipped all over the world, and our marble in its virgin whiteness has just been used in the construction to typify "Peace and Strength" in the magnificent New York palatial Stock Exchange.

The banks of Georgia are in excellent condition. The deposits now equal nearly seventy-five million dollars, and prospects were never brighter than now. The State of Georgia is now spending about two and a quarter million dollars for education annually. In a hundred and twenty-three counties there is no liquor sold, it being decided by local option. Liquor is usually sold in the larger cities under high license and strict regulations. In my own city of Atlanta if one is not satisfied by ten o'clock in the evening he must go thirsty to bed. There is not a single gambling house in the city of Atlanta. The splendid city government is one of the reasons why our city is so rapidly growing in population and increasing in commercial importance.

Georgia is as loyal to the flag as New York. As an evidence of this she sent to the Spanish War more soldiers than any other State in the Union, in proportion to her population. Our people are as much opposed to mob violence as are the good people of Illinois or Massachusetts.

As far as the negro question is concerned, we believe there should be a middle ground between social equality and lynching. The one is contrary to a law of nature; the other assumes the execution of the law of our land. the erroneous effect of both being to elevate the negro above his sphere and place him beyond the protection of his friends.

We have the greatest interest in the coming Presidential campaign, if for no other reason than because the mother of the Republican candidate was born in Georgia, and Judge Parker's boom was launched on the banks of the Tallulah at the meeting of the Georgia Bar Association last year, and the wonderful Watson, that idol of the populace, is a resident of our State. Therefore, if for no other reason, no matter which of the three gentlemen is elected, Georgia may have some reason to feel proud.

In conclusion, I wish to express the thanks of the Georgia Bankers' Association for the cordial welcome we have received, and to express the hope that our deliberations here may bring much pleasure to all present, promote good fellowship, and result in much profit to the large interests represented.

The next speaker was J. Wirt Randall, President of the Farmers' National Bank, Annapolis, Md. He said:

Address of J. Wirt Randall.

Mr. President, Ladies and Gentlemen—I feel a good deal of hesitation amid the entirely impromptu addresses, in prose and poetry, with which we have been treated, to say anything in the way of a set speech, but as I have been asked to do this, to greet you on behalf of Maryland, and as there seems to be a practical disposition to admit all we have heard heretofore, we may say that in this campaign and previous political campaigns something to the effect that there is no North, nor South, nor East, nor West, and therefore, perhaps it is just as well for a State which occupies a middle position to have the floor for a few minutes.

Before saying anything, gentlemen, in regard to conditions in Maryland, I feel that I would be derelict to my duty as a representative of the Maryland Bankers' Association, if I did not say that there is one thing that the Maryland Bankers' Association has earnestly at heart, which has been proved by the fact that they have in three successive conventions appointed committees to urge the legislation upon Congress, and that one thing that they have earnestly at heart is the importance of having currency legislation enacted by Congress. I hope sincerely that this convention will not pass or adjourn without its taking formal action and recommendation upon this subject, appointing committees to urge that matter upon Congress; because, gentlemen, important as it may be to consider these matters of bonding, and dollars and cents, and in other particulars, the very existence of National banks depends upon something of this sort being done in the near future.

In that very interesting book which many of you no doubt have read, "Reminiscences of the Civil War," by the late General Gordon, he tells the story of a friend of his who was a preacher, and who had himself a slave who was a preacher: Old Allen, the slave preacher, was in the habit of asking his master every now and then what he was going to take his text from for the following Sunday, and Allen seemed to think sometimes it was a very good lead to follow. He asked him on one occasion what his text was going to be, and his master said, "My text is going to be 'And He healed them of divers diseases.'" "Yes," said Allen, "that is a very good text, and I think I will preach from that text myself next Sunday." So some of the young men of the family went down to hear him and he announced his text by saying "He healed them of all sorts of diseases and particularly that disease called divers," and after referring to all of the various kinds of diseases that he could think of and their relative importance, he says, "But there is a disease called 'divers,' and if you get that disease you certainly is a gone nigger, except the Lord help you."

Now, Mr. President, I think we will all agree that however many diseases and troubles National banks may have, there is one thing that is going to be the "divers" to them unless it is done pretty quick, and that is some currency legislation, so, knowing how strongly our association in Maryland feels on this subject, as it has indicated by passing resolutions earnestly advocating a system of circulation based upon assets, which was known as the Baltimore plan, when your convention in Baltimore adopted it, I feel that that or some legislation of that sort should be considered. We sincerely trust that this convention will follow the lead that Maryland has taken in that direction and appoint a committee to urge this legislation upon Congress, for although it is true that on the eve of a Congressional campaign as we had last year and as we have had this year, it is perhaps hopeless to expect parties to convict themselves of the matter until after this campaign is over and Congress assembles this winter; but now is the time to strike the iron while it is hot and try to get something accomplished.

Now, in regard especially to Maryland, we have had what are naturally called two calamities during the past year in Maryland; one was the failure of two trust companies, which was a very serious matter in Maryland, and for a while made things look to be in a very dangerous condition. The other was that terrible fire with which our metropolitan city was afflicted, and which in a few hours swept out of existence all the great wholesale district of the city of Baltimore and a very large part of its retail business.

Now, in regard to that matter of trust companies, I think Maryland can say to you that it has taught us lessons, and they are lessons which to a great extent are appreciated all through the banking world and have been dwelt upon by gentlemen here from our own association. One is, as expressed the other day by Mr. Fries in his address, the gross impropriety of a trust company becoming a promoter or entering into the field of speculation. That is exactly what wrecked those two trust companies in Baltimore.

Another matter, Mr. President, which is equally important, and I think perhaps of more vital importance, generally speaking, and that is, that in its banking business the same reserves should be insisted upon and required of trust companies and State banks as are required of National banks. That is another matter that this convention ought to speak upon, it strikes me, and speak upon plainly and clearly, and I trust resolutions or action will be taken looking to that effect. It is a lesson that has been firmly impressed upon us by our own experience, and, gentlemen, you certainly can learn from that.

Now, then, one word in regard to that great disaster which afflicted Baltimore, the fire. We have learned a great many lessons from that. One lesson that we have learned, Mr. President, is the widespread brotherly feeling that exists among American cities. No sooner was the news flashed out of this terrible disaster to our metropolitan city, than the wires were laden down with offers to help pecuniarily and otherwise from all parts of the United States. The fire had only progressed so far as to make it manifest that it was going to be a difficult matter to control, when thronging from all directions, from Washington, from Annapolis, from Harrisburg, from Philadelphia, and from New York, came on the wheels of steam the engines to help subdue the perilous flames, and they succeeded; and without the help of these American cities, I believe the whole city of Baltimore would have been laid in ashes.

That is one lesson firmly impressed upon us by this fire. Another lesson of perhaps a more material character is the fact that we all observed that in the recent construction of our banking institutions there are very few skyscrapers going up. We have begun to believe that it is very well for banks to keep close to their solid foundations, and not have too much expansion, and the result is that almost all of our new banking institutions are going to be one to two and three-story buildings; no more fifteen and sixteen story buildings. There is a thing that impresses the eye, too, Mr. President, greater than all the lessons which we have learned from that fire, and it is the realization of the fact that in that city and in that old State is embodied that magnificent spirit of energy, push and courage which distinguishes American cities which have been visited by a similar affliction. Up from the ashes a new Baltimore, more beautiful than the old, is rapidly rising, and it will be only a year or two when the docks have been widened, when the streets have been straightened and broadened, and when new and handsome palatial resi-

dences and houses of business, banks and financial institutions, will have risen in every direction, and we will look back upon that day of seeming terror, dismay and destiny as one of the greatest blessings that could have been visited upon our community, for with it we have realized, like our sister cities, Boston and Chicago, and Portland and others that might be named, that we, too, are Americans that are imbued with that indomitable spirit of America.

THE PRESIDENT: I would at this time, as we are all intersted in the St. Louis Exposition, like to call upon Mr. Festus J. Wade, of St. Louis, to say a word to us.

MR. WADE: I am really glad to have an opportunity of discussing just for a few moments the Louisiana Purchase Exposition. It is your exposition, not a St. Louis Exposition, and I want to make a statement in regard to its finances which will doubtless surprise you. The Fair still has two and a half months to run. Every dollar expended in that magnificent aggregation of the results of the progress of the world has been paid back one hundredfold to those who entered into the enterprise. The United States of America who invested five million dollars in the stock of that exposition have exhibited to ten million of people up to this hour the greatest show of agricultural implements, of mechanical appliances, of the arts and the sciences of the world, of the varied industries, of the horses and the cattle and the sheep and the swine of the world; and all these exhibits are to-day educating the people of the world respecting the progress of this great country.

The City of St. Louis, as a corporation, has been paid back its five millions of dollars by having a new and a rejuvenated St. Louis produced in a period of three years' time. The citizens of St. Louis who have contributed five million dollars more have gotten back every cent by bringing together the best minds and hearts and energies for the development of the Mississippi Valley. It has been exploited particularly in the eastern country, that there was at one time danger of the exposition going into the hands of a receiver. A greater slander on a greater enterprise was never given utterance; the Louisiana Purchase Exposition at no time owed a dollar to any one except to the people of the United States, and the ninety-three men constituting the Board of Directors of that organization aided and backed by the bankers and trust companies of St. Louis have guaranteed the repayment of that Government loan, and up to this time have repaid three million dollars of it back. Not only will it meet its obligations, but it will pay a dividend to its stockholders. That I know.

Those of you who have seen the exposition need not be told about it. Those of you that miss it are going to lose an education that no money could buy in the next twenty-five years. The magnitude of the exposition, its completeness, its beauty, is beyond the comprehension of the man who has not visited it, and equally as far beyond the comprehension of him or her who devotes two months' time to its study. Its various departments include every line of human endeavor, and all may be seen for one-half a dollar.

THE PRESIDENT: I know it will be gratifying to the Convention, as it is a pleasure to me, to ask our former President, Mr. Hendrix, if he will say a few words to us.

Mr. Hendrix thereupon spoke as follows:

ADDRESS OF JOSEPH C. HENDRIX, OF NEW YORK.

Mr. President, Ladies and Gentlemen—There seems to be an impression on the part of the president who is in office that an ex-president can do about

anything that he is called upon to do, which I assume is a state of mind in preparation for the future to come. Now, to be suddenly called upon to speak for any section would be embarrassing; to attempt to localize and speak for any particular section of the country would be more particularly embarrassing to me at this time, because the part of the country that I was born in, which is the West, has a president which is to succeed, and he can do his own talking. The part of the country that I live in, New York, is represented by a great big committee of arrangements that was visible last night, but not visible this morning.

I am very much like a little story that I heard. There was a surgeon coming down the steps of one of our hospitals, running down very fast, as all these New York doctors do, and he met another surgeon coming in, and he says, "Hello, anything new; what is going on up stairs?" And the other surgeon says, "We have got the funniest case up stairs you ever saw; we have got a woman up there who is so cross-eyed that when she weeps the tears run down her back." "Well, you could not do anything with her, could you," asked the surgeon, and he replied, "Why, certainly, we turned right around and treated her for bacteria."

I think that when this dignified committee of arrangements wanted to treat you last night in one direction you turned them around and treated them in another. In fact, some of them appear to me very much like an English officer who was being court-martialed. He was one of the best officers in the regiment, and the court-martial wanted to save him, but the evidence was dead against him; his friends were on the bench, but the evidence was cumulative, until there came along a dense, stupid orderly who seemed to be ready to give evidence that would exculpate the officer, and so the judge says, "Did you see the colonel when he came into his quarters last night?" He says, "yes." "Well, did you notice anything unusual in his manner?" "Nothing at all." "Did he say anything to you?" "Yes." "What did he say?" "He gave me the orders for the morning." Well, the old presiding judge, who was very anxious to save the colonel, leaned over his head and he said, "Did you say the colonel gave you the orders for the morning?" "Yes, sir." "And what did he say to you?" "Well, he told me to wake and call me early." "Did he say why he wanted to be called early?" "Yes; he said he was to be Queen of the May."

Now, I am not only a retired President of the American Bankers' Association, but I have retired from the banking business in this sublunary world, and as I informed the executive council the other night at the little entertainment, I am now the President of the First National Mental Science Bank of Arcadia. That is situated on the road to Paradise. You get off at the Elysian Fields, and you go down through the green pastures and by the still waters, and then you come to my place, and we have open house for all country bankers. We allow no interest on deposits. We have got too much sense for that. We are trying to avoid some of the mistakes that are made in the material world in the conduct of the banking business, and when you do it all in your own mind and in your own way, and just think it out all by yourself, it all works out nice, and balances very nicely, and I invite you gentlemen at an early stage in your careers to seek this brain-contracting spirit-paralyzing banking business; nothing like being a retired banker and all through with the cares of discounts. It is a sort of a preliminary preparation for what is to come. Now, when you become a disembodied financial spirit you know how it feels; so you may be getting ready, because it is very much like the old lady who was observed in an Episcopal church up town in New York always to bow when the name of Satan was mentioned through the service; she would always duck her head. The rector went to her one day, and he said, "Excuse me, madam, but I notice that when the name of Satan is mentioned in the service you bow your head; you know that is not customary; and I would like to know what is your reason." "Well," she says, "you know it does not cost anything to be polite, and you can never tell what may happen."

I have observed in looking over the various banking association gatherings, that the old types by which one could pick out men in an audience and associate them with certain portions of the country, are disappearing. New York, as you know, is the most cosmopolitan city in the world, and America

is very rapidly becoming the cosmopolitan country of the world. You do not observe the distinction in individual types that many of you can remember in the early days. It is very hard to tell when a Western banker walks down Broadway, whether he is running a bank in Fourteenth street in New York or out in Oshkosh. There is a rapid assimilation going on between the types of individuality in various parts of the country; our fashions are alike; our habits are alike, and I was never more surprised than when at a convention out in Denver I had a gentleman say to me, "If you will come up to my country place in the Rocky Mountains on Saturday night for dinner, we are going to have broiled live lobster." That shows what a great country this is getting to be.

The speeches which have been made here, Mr. President, indicate a common line of thought, and it is the greatest pleasure to hear these silvery-tongued orators, the natural troubadours of our country from the South, tell their stories and give us their outlook. Now, the outlook of the North and of the East should be spoken for, and is it not possible for some one who is properly equipped for the task and properly authorized to speak to an assembly of this sort, to say that the outlook of the North has very greatly changed in its character in the last ten years, in respect not only to the South, but in respect to the North. The fact of it is that the recrudescence of prosperity which has been so highly accentuated within the last few years has come in its great influence from the West and from the South, and New York simply is the registering thermometer of the business of the United States, and shows it, feels it, and evidences it in the things you see about you. Whence these magnificent hotels in New York? Whence this lavish expenditure of the city? It simply means the tremendous prosperity which has come upon the whole United States of America.

Mr. Bryce, the great English statesman, who wrote the "American Commonwealth," said that when he first came to this country he could not discover evidences of European civilization further West than the Allegheny Mountains, but when he came to this country the second time, he discovered them as far as the Mississippi River, and that upon his later visit to the United States he found that European influences pervaded the entire country. Well, now, the retroactive effect of all these things simply develops the great cities, and they are merely the accent of the enormous productive power which these gentlemen present to you in the splendid statistics that they bring to your attention.

We are very happy, and we are very fortunate, gentlemen, to be living in our day and generation in the United States of America, and the period through which we are passing which has been within the experience of most of you, has been a phenomenal period, and when in the future some careful student of economy goes over it he will wonder, stand in amazement, at the story it tells. For the first time in the history of the whole world was the question of the standard of value submitted practically to a popular vote. Fancy the law of gravitation being submitted to a popular vote for its determination. Fancy some of the most abstruse scientific propositions having to rest upon the determination of a popular vote; but is it not a tribute to a democracy; is it not a great tribute to a free government, the free enlightenment of the people, the education of the little red school house on the hilltop, the influence of the church, the bank, the warehouse, the commercial emporium, all of these, that so abstruse, evasive and illusive a question as the question of the standard of value, which in all the kingdoms of the world has been reserved for the finest intellects to settle, could here be thrown en masse to a great congregation of people, an aggregate of population, and that the prevailing judgment of that mass of people should be right, and should be established as the right thing for the country. I believe that when some future time shall come that it will be realized that we have written the dramatic history of the world, and that it will be found that that was one of the most intense moments for all modern history when a great republic had to pass at the polls upon the question of the standard of value. Now, that is all passed away, floating down the stream like the thistle-down of last summer. We are face to face with new propositions, with a great, magnificent history, with an amplification and development of a great credit system, such as has never been paralleled in the history of civilization, with immense masses of loans which you gentlemen have to carry in your institutions, with a great

aggregation of currency, with a wonderful growth in the general wealth of the United States; and the problem is there just coming over the horizon; we can see far enough in the future to detect it. We always know that out of a clear sky, if we wait long enough, a cloud comes and then a storm. You gentlemen have to be upon the watch-tower all of the time. Your vision is strained. Your nervous system is intensified with a view of seeing what is the matter. Are we passing through a glorious period of our history; is this the golden age of the republic. Are we at the apex of our prosperity? Have we just to look down a long and winding path into a vale where there may be shadows, where there may be storms, where there may be difficulties before the pathway can go up over the opposing mountain range.

As we stand to-day upon our own feet, in the light of our own knowledge, it seems to us that we have a giant's strength commercially, financially, a giant's strength in possibilities of national assertion, and there is, I believe, in the feeling of all men of your type, all conservative men, that having a giant's strength in all of these departments, that we should use it like a giant —with modesty, with reserve, with conservatism, and with caution.

We observe that on the other side of the water, Mr. Chamberlain, of the British Ministry, is seeking to introduce reforms that must have great importance to us if carried into effect. These things bankers will think of. I shall attempt to arrive at no conclusion, simply passing them in a suggestive way to your minds as they occur to me; but whatever betides, I think that the past experiences, the traditions of this association, and of our business both, justify the conclusion that if we continue to do strictly commercial banking, to supply the needs of our particular customers as they may be developed, and to keep in the old-fashioned middle of the road, there is a line of safety for us to pursue, and we are as free from danger as it is possible to be and be engaged in any business. The traditions of this association are all in favor of that old conservative policy, and I have no doubt that as a younger generation comes on it will carry forward the same feeling, and that the American banker, whose record up to date in spite of all the disorders of the currency and all of the difficulties of the law, has been one of steady progress, will continue on in as great prosperity, and for one and all of you, gentlemen, I wish the greatest possible prosperity.

THE PRESIDENT: Gentlemen, and members of the Convention—I do not care which part of the country is called for; we are all mixed together in a common field. I will call now for Mr. Wilson, of San Francisco, whom some of you had the pleasure to know when we were out there last year.

James K. Wilson, President of the San Francisco National Bank, then spoke as follows:

ADDRESS OF JAMES K. WILSON.

Mr. President and Gentlemen of the Convention—While listening to the remarks of the gentlemen on great divisions of this land of ours, the uppermost thought in my mind has been this: I am proud of my country; of its achievements; of its opportunities; of its possibilities; proud that I am an American citizen, and therefore entitled to a share in the glories of the past, to take a part in the activities of the present and to gather inspiration from the anticipated greater and more beneficial results that the future will most surely unfold.

But, Mr. Chairman, though these points of the compass have been covered by the gentlemen who have preceded, the half has not been told, and to undertake to tell the remainder in a five-minute speech is to assume profound ignorance of the subject or profound wisdom in the selection of a few of its leading features.

To briefly sum up what has gone before, and epitomize what is to come, I may say:

While the East has its feast,
And the South a full mouth;
And the North may bring forth;
Yet the West is the best.

Mr. President, I need not tell you, nor the members of this convention, that the West is going to be the big end of this country. Many of you have seen it and are therefore more or less familiar with its size and resources.

It is within the memory of men in active business to-day, when all the region now known as the West, and much more, was then known as simply so much public land. Not a single State or Territorial boundary had been run in any direction.

The West has been a movable line for a century or more. It has at last reached its utmost land limits, and over two thousand miles beyond, to take in the Hawaiian Islands—the latest territorial addition.

Excluding for a moment the Territory of Hawaii and the Territory of Alaska, the West, as recognized in the last census report, consists of nine States and two Territories.

These States and Territories lie in three tiers, from South to North all facing to the West, or to the Pacific Ocean. The first consists of California,

JAS. K. WILSON, *President San Francisco National Bank.*

Oregon and Washington; all daily kissed by the gentle waters of the largest and finest ocean in the world. Nevada is also in this division, though without an ocean frontage.

The tier just outside of these States comprises Arizona, Utah and Idaho, and adjoining these on the east is the third, comprising New Mexico, Colorado, Wyoming and Montana. The oldest one of these States is California, and she is the only one that came into the Union without going through a probationary territorial existence; and California is only fifty-four years old.

The other States in this division are from ten to forty-five years old, including five that are from ten to fifteen years old. Those eight States became Territories thirty-six to fifty-six years ago. Arizona has existed as a Territory forty-one years, and New Mexico fifty-six years; both are entitled to Statehood.

While this section comprises only twenty per cent. of the number of States and less than one-third of the Territories, they have been organized on such a grand scale that they include about forty per cent. of the whole land area of the United States. The natural slope of this area is to the Pacific Ocean, and its foreign commerce is transacted through the magnificent ports of California, Oregon and Washington.

There is no finer opening for settlers in the country than is to be found in these States and Territories. In the first place it is a roomy section. The census returns of 1900 show one-fourth of a square mile of land, or 160

acres, for every inhabitant. To do the best work a person must have room; this they have in abundance in the West. In the rest of the country the census gave to each inhabitant an average of only one-fortieth part of a square mile, or sixteen acres.

The West abounds in everything except people. This deficit is causing no anxiety. The population is increasing more rapidly than in the remainder of the country. There was a gain of nearly thirty-one per cent. in the nine States and Territories known as the West between 1890 and 1900, against a gain of a little over twenty per cent. in the remainder of the country. There are no available figures of gain since 1900, but there are good reasons for believing that the increase for the past four years has been proportionately greater than it was in the previous ten.

The overflow of the more populous States must naturally come our way, and there are evidences that this overflow is increasing in volume from year to year as the people become acquainted with the advantages and resources of the region.

It would be difficult to select an equal area of opportunity in any other part of our prosperous country. The three primary sources of wealth—agriculture, mining and manufactures—are in a fine state of development, but capable of much future expansion.

This area embraces all grades of climate, and there is hardly a product of the soil in any zone but what finds hospitality within our borders. We are the producers of all kinds of grain and fruit in abundance. We can supply the whole country with all the raisins and wine it can consume. If we include Hawaii, we have cane-sugar plantations under the most intelligent cultivation of any in the world, and capable of furnishing 400,000 tons per annum.

We inaugurated the manufacture of beet sugar, which has now become a prominent industry with us, as it also is in some other parts of the country. To other products it is not impossible that we shall add coffee, rice, tea, cotton, silk and tobacco in some parts of our domain.

The one feature that differentiates the West from the remainder of the country is the product of the precious metals. It is appalling to think where this country would have been classed to-day in the nations of the world if the rivers and mountain fastnesses of the West had not been unlocked by the enterprise of man, and treasures brought forth to gladden and beautify, not only this country, but indirectly, all other countries.

It is our boast that we have upwards of $2,000,000,000 in gold and silver coin and bullion. Whence did we get this money? Practically every dollar of it came from the Western States and Territories, and very much more—the commercial value of the silver and gold products of this country for the past few years has averaged in round numbers $100,000,000 per annum, and the total value of this product, to the close of the current year, is estimated at $4,362,225,000.

Practically all the gold and silver has been produced since the discovery of gold in California in 1848, or within a period of something less than fifty-seven years. The total domestic product prior to 1848 was less than $25,-000,000.

Reckoning silver at its coinage value, the mint director gives the total product of gold and silver to the close of 1902, at $4,417,229,000—at least ninety per cent. of all the gold and nearly ninety-eight per cent. of all the silver produced in this country since 1848, has come from the nine States and three Territories, banked against the Pacific Coast and classed as the West.

But these are not the only metals for which this country is distinguished. The production of copper, lead and a score of other minerals has been notably large. The only cinnabar deposits in the United States also lie within this area, and the value of the quicksilver has added materially to the wealth of the country. The borax deposits in California and Nevada have contributed most liberally in the same direction.

All these mining industries throughout the whole territory are still in flourishing condition and likely to last for many years. In the last five years liberal supplies of oil have been discovered and worked.

The fisheries are another valuable industry, in which large amounts of capital are invested, with good returns. The Coast boasts of the finest salmon streams in the world, and the boast is not an idle one, as can be attested in all parts of this country and in foreign lands.

The raising of cattle and sheep and high-bred horses is a prominent feature of these States and Territories. It is literally true that these sheep and cattle roam on a thousand hills.

In the line of manufactures great progress has been made. A shipyard that can turn out such notable vessels as the Olympia, the Oregon and the Chitose in the Japan service, which recently overhauled and destroyed the Novik, the pride of the Russian navy, is only a single illustration of what has been, and what can be done, in manufactures. The discovery of fuel oil in abundance has not only been of great help to manufactories, but also to the transportation interests centered in the West.

To facilitate activity in all these and various other industries there are numerous and well-established mercantile and banking institutions of all classes, private and corporate. Ample means are at hand for fostering and distributing all the products of the soil, whether subsisting in or above ground, animate and inanimate; all that pertains to the fisheries, large or small—all of the thirty or more different products of the mines, and all of the scores of manufactured articles, from the minutest and least valuable to the mammoth steamer whose value goes into the millions.

Much might be said of the lumber industry. The timber is of the finest and tallest description, and there is plenty of it. It is being used in the erection of buildings of all sizes, and for all kinds of purposes along the West Coast, in Australia and in the Orient.

The present conditions of the West are causing no uneasiness. Some of the crops in some parts are not so large as usual, but better prices are being realized, which, as a rule, fully offset any deficiency in volume. It is probable that less grain will be sent on the long voyage to Europe, which mitigates to some extent against the interest of ship-owners, but that misfortune falls on non-residents.

Trade with Pacific ports is steadily increasing, especially with the far East. The introduction of a number of large steamers, with more to come, is good evidence of the present and prospective increase in the freight trade of the Coast. In a word, the conditions of general trade appear to be sound and fairly prosperous.

W. H. Byerts, of Socorro, N. M.: While listening to the beautiful recitals from members from the different States giving a short sketch of their great development and resources, one almost fancies himself in the fairy-lands in company with Col. Mulberry Sellers. Now comes the should-be-State of New Mexico, with a boast of which she is proud, of her resources which are just as necessary and as essential to the growth and prosperity of this great Nation, as the growing of corn, wheat and cotton. The raising of horses, mules, cattle, sheep and Angora goats is so healthful and profitable in New Mexico that the ranchman can go to his bank and borrow the necessary money to stock his ranch, paying the banker the handsome profit of twelve per cent. per annum, and with proper care said ranchman is out of debt in a few years, and in a healthy prosperous condition. This industry (which is only one of the many) is so profitable that it brings handsome returns to both borrower and lender. One of the great blessings of New Mexico I would love to mention, and that is her pure mountain-made air, which has blessed humanity and sent thousands home well and happy and they are to-day singing praises to the pure mountain-made air of New Mexico and of this she has an unfailing abundance, and with outstretched hands she invites you to come and partake.

Wm. George, of Aurora, Ill.: On behalf of the Illinois Bankers' Association, I wish to invite you before there is an adjournment to attend our convention in St. Louis on the 18th and 19th of October. It seems to the Illinois convention that it would be a good time for those of you who contemplate attending the Great Fair at St. Louis to come on those two days

Any of you who desire to reserve rooms I know can secure them by writing to Mr. Frank B. Jackson, Chicago, Secretary of the Illinois Bankers' Association, for he has reserved 500 rooms for the Illinois convention.

I hope that inasmuch as so few of the delegates are here at present at this speaking that those of you who are here will extend the invitation of the Illinois bankers to all of your friends.

At the conclusion of Mr. George's remarks the convention adjourned until September 16, 1904, at 10 A. M.

THIRD DAY'S PROCEEDINGS.

New York, Sept. 16, 1904.

The convention was called to order at 10:15 A. M., and was opened with prayer by Rev. J. M. Farrar, of the First Reformed Church, of Brooklyn.

The President: The next order is unfinished business. Authorization was given yesterday to fill in the names of the vice-presidents from States, and if any of the delegations desire to make any changes or to hand in any names, they may be sent to the table here. Unfinished business is the next order.

Nothing appearing, it is my pleasure now to introduce to the convention Mr. W. E. Schweppe, manager of the Bankers' Department of the Credit Indemnity Company, of St. Louis, Missouri, who will address you on "Credit Indemnity; Its Value to the Banker."

Credit Indemnity; its Value to the Banker.—Address of W. E. Schweppe, Manager Bankers' Department American Credit Indemnity Co., St. Louis, Mo.

Ever since the organization of the first bank in Venice in 1171, the principle of demanding collateral and security has never changed, and with all the evolution in methods and machinery of banking, the underlying principle has been safety. Yet wherever there is a volume of trade there is also a volume of loss, although the two are never parallel. They are ever marked by an odd variance caused by what none of us can determine in advance. If we could, there would be no loss, and although the system of credit seems well organized, yet it is far from being under such control that you can determine with any degree of certainty the precise relation between volume of trade and volume of loss and hold them at any even ratio.

If this is a fact, and it is, no apology is needed for my taking your time to present an outline of the great economic truth that determines for the commercial world a fixed ratio of loss upon a given amount of trade.

Credit indemnity is a new economic in credits that has been tried and found of substantial benefit to the mercantile world, a world so dependent upon and its interests so closely allied with that of the banker that every cog in the wheel of commerce must find its mate in the wheel of finance, and as a conservator of the stability of trade and commerce, credit indemnity should have the earnest consideration and support of the bankers.

In placing before you the plan it will not be my endeavor to go into all the details, but in a concise way, "skeletonize" the general outlines that you may have a clear understanding of a credit indemnity bond.

RISK OF LOSS LIMITED BY INDEMNITY.

Credit indemnity limits the annual risk of loss through insolvency of customers to a normal amount, and reimburses the insured for any loss in excess of that amount, provided the losses and the sales on which they were sustained were in accordance with the terms and limitations of the bond of indemnity. The mercantile agencies furnish information as to the financial strength and reliability of customers; credit indemnity protects from loss the firm that transacts its business and extends credit in accordance with that information. The bonds are issued only to manufacturers and wholesale merchants.

The bond is clear, concise and positive. It is adjustable to any line of trade, and to the requirements of any individual business. Under the bond the insured bears the risk of a normal loss on his year's business. This normal loss consists of a certain specified percentage of his annual sales, and the amount is determined by a calculation based upon the personal experience of the applicant in his particular line of business, the length of time given on credit sales, the territory goods are sold in, the reputation of conducting the business on conservative lines and the integrity of the applicant (this normal hazard being of great importance), and when these conditions are satisfactory to the actuarial department, the company agrees to insure under conservative and proper safeguards and limitations every merchandise account of the indemnified. When the aggregate of covered claims during the year is in excess of this natural or normal risk which the indemnified is to bear, then the excess is the amount payable to the indemnified.

In a word, the bond applies to every account, covers every possible form of insolvency, and involves an adjustment simple, clear and equitable, and eliminates the risk of excessive loss from a credit business.

The banker is so closely associated financially with the mercantile interest, which often comprises his largest patrons, that any system that will protect them from hurtful losses or afford them additional strength and security or add to the confidence, which is the keynote of commercial success, must merit his earnest consideration.

Every banker appreciates the value of collateral for loans. The Cashier of a bank and the credit man of the mercantile world perform the same service. The banker passes on loans of actual money. The credit man passes on loans in the form of merchandise, but in each case the debtor owes money. The bank requires collateral. The credit man should have it. A credit indemnity bond furnishes the only collateral obtainable on all merchandise accounts. You, as bankers, therefore can appreciate its value to a credit business.

Bankers require their borrowers to carry fire insurance to protect from loss their merchandise, which is considered the basis of credit. It is much more important to insure that merchandise when it has been sold, but is not yet paid for, and is represented by book accounts, especially as they generally largely exceed in value the merchandise caried in stock, and comprise not only the original investment in the goods, but all the charges of every kind, including profits, added.

Statistics of the Bradstreet mercantile agency show that in the past eleven years the losses through insolvency have far exceeded those through fire, amounting to the immense sum of $367,000,000. The figures are incredible, and few firms doing a wholesale or manufacturing business stop to consider the immense risk that at all times surrounds their credit business.

A credit indemnity bond contains a table of coverage that authorizes a certain amount of credit to each customer proportionate to his capital and credit rating as furnished by the mercantile agency. All classes of customers are covered, accounts against those having a capital rating with either first or second grade credit rating are covered in full, while accounts against those not having such rating are covered for an agreed and specified portion of the amount. In other words, on this latter class of accounts the company co-insures with the bondholder. In this regard it is a valuable guide in granting credit. The insured has the privilege of selecting which one of the standard mercantile agencies shall govern the ratings under his bond.

Today credit is the cheapest commodity on the market. Ofttimes, in the strenuous demand for business, conservatism is lost sight of. Quantity, not quality, obtains sway. The holder of the bond has a place named for him where conservative judgment says, "Stop." To go beyond means speculation, and while the bond does not in any way interfere with its holder's independent action, this point limits its liability and gives the danger signal.

The holding of a bond by your customer and your knowledge of his conforming to its terms should give to him your confidence. It places a definite value upon his outstanding accounts and increases their value just as a substantial endorsement enhances the worth of commercial paper. It guarantees to you his conservative methods. It confirms the fact that safety and certainty in business transactions are preferable to hazard and uncertainty, and upon this principle credit indemnity is constructed and stands. It encourages such care and conservatism as is consistent with legitimate business activity and healthy commercial progress. It determines a fixed ratio of loss upon a given amount of business that under proper conditions cannot be exceeded and can be calculated in the expenses with the same reliability as rent or any other fixed charge, and all of these will insure to him a system in his business that will guarantee stability.

EFFECT UPON FINANCIAL PANICS.

A few words as to the economic value of credit indemnity, and its effect upon financial panics.

Financial disturbances have a habit of weakening confidence at stated periods in this great country of ours.

Panics are nothing more than lack of or loss of confidence in credits, and the world is eager for a preventative or cure. When the financier feels that conditions are such as to make credit unstable, he commences to draw in his loans and contract his outstandings.

The manufacturer and wholesaler then feel the necessity for reducing their lines of credit, and knowing their competitors, A. B. and C. are doing likewise, they become nervous, insist upon immediate settlement from valued and ordinarily solvent customers, thus precipitating failures which would not have occurred had the initial confidence been sustained. Result: A panic has begun, and a few hundred of such failures force the jobber and then the manufacturer to suspend, and even may jeopardize the bankers, as they are ultimately expected to bear the burdens of all. If the business world knew that there was behind these accounts a collateral of millions and that creditors would be reimbursed for injurious losses that might occur, the panic-creating effect should receive a decided check. Confidence would be maintained, and a commercial panic be a thing of the past.

A well-known writer some time ago wrote of credit insurance: "Its application to ordinary insolvencies and to the extraordinary conditions resulting from extrordinary failures cannot but be of interest as well to the professor of political economy as the financier and practical business man."

I commend it to your consideration, feeling it will add to your surety, promote the merchant's peace of mind, and enhance his security. We will live to see the time when policies of credit indemnity will be universally carried, for they are just as necessary as a protection in business as a fire insurance policy.

THE PRESIDENT: You will next have the pleasure of listening to the Hon. Ellis H. Roberts, Treasurer of the United States, on: "The Strength and Weakness of American Finance."

STRENGTH AND WEAKNESS OF AMERICAN FINANCE.—ADDRESS OF HON. ELLIS H. ROBERTS, TREASURER OF THE UNITED STATES.

The American Bankers' Association has been so gracious in its courtesies to me that its invitation for this convention came as from a royal source with the force of a command. If to hear the same voice a third time in five years seems too much to any critic, he has the full right to ask that we shall follow the rule of the game, "three times and out."

You are gathered here in the chief city of the country, the rival in finance of Berlin, Paris and London, to become the master centre of the world's finance. In the midst of the dazzling signs of amazing wealth, of the proofs of the nation's resources, and of power which knows no superior, broad and deep topics rise before you to arouse your thought and to invite your decision.

OUR GOVERNMENT NOT BORROWING.

Fortunately, the United States is not asking for new loans. The government is not increasing its debt by long bonds or by exchequer bills for temporary needs. If in any month outlay exceeds income, the deficit is covered by previous surplus laid away. Individuals and corporations reach out for vast sums in loans, but the nation is not a borrower in any market. Its interest-bearing debt at the beginning of the fiscal year 1898 was $847,365,130, and the annual interest was $34,387,315. A loan of $200,000,000 was made by popular subscription for war purposes. Yet at the start of the current fiscal year that debt was only $895,157,440 and the annual interest $24,176,745. In the interval the government has paid the cost of the Spanish War, $20,000,000 under the treaty of Paris, and $50,000,000 on account of the Panama Canal. Now the nation stands on a granite basis of credit, and over the door of the Treasury may be inscribed: "We are not borrowing here."

This fact reduces the financial problem to simple terms. The government leaves the loan market alone. Enough factors remain, however, to make it worth while to study the strength and the weakness of American finance.

THE REVENUES.

For a full discussion of our theme, we might perhaps be required to treat of the receipts and distbursements of the government. We may, however, in these partisan days, leave this branch to the orators and the press of the political parties, who will be quite ready to thresh out the straw to the uttermost.

SIX CLASSES OF CURRENCY.

In an ideal currency system, one would not expect to find besides subsidiary and minor coin, and the disappearing Treasury notes, six classes of money—gold coin, uncovered notes, certificates issued for gold, certificates issued for silver, bank notes and legal-tender silver dolars. Or only four classes might be named, to wit: gold and its certificates, constituting 44.1 per cent.; silver and its certificates, 21.2 per cent.; uncovered notes, 13.2 per cent.: and bank notes, 17.2 per cent. The financial architect would seek to be rid of uncovered notes and legal-tender dollars, and might look askance at the large bank circulation.

UNITED STATES NOTES.

The United States notes, at first and still in theory a forced loan, began without reserve behind them. The resumption act which aimed to redeem them in gold, gave them a power for mischief as weapons for assault on the official treasure. Danger arose when the revenue was inadequate, and the Treasury became impoverished. Peril ceased when a surplus was created, and the yellow metal flowed into the national coffers. In itself, the United States note is weak; it gains strength as gold is put behind it. The practical banker may join with the theorist in the wish that it may pass gradually into the gold certificate. That change is going on without jar or friction on two paths; first, by the increase in the gold in the Treasury, and second, by the use of notes of $10 instead of those of larger denomination. In five years the $10 notes have run up from just less than $100,000,000 on July 1, 1900, to $193,459,321 in 1902, to $245,440,011 on the same date in 1904. (See Table A at the end of the address.)

The Treasury gross gold in the same period from $423,577,971 rose to $681,838,821, and is now over $700,000,000. (See Table B at the end of the address.)

Thus these greenbacks have turned from large notes in chief part to be 70.7 per cent. in $10 bills, for which the demand always, with rare exceptions, exceeds the supply. In the same five years additions of 60.9 per cent. to the gross gold in the official vaults have been made. (See Table B.)

The share of the uncovered notes to the total currency is steadily growing less. From 33.6 per cent. in 1880, and 23.4 per cent. in 1900, it has fallen to 13 per cent. The danger from them has diminished in certainly as marked a ratio. They are to decrease, while the general volume is to increase. (See Table C.)

CHANGE INTO GOLD CERTIFICATES.

Congress could without friction use at once $50,000,000 of the gold reserve for certificates of $10 and $5, as a substitute for United States notes offered for redemption, and in each succeeding year apply a like sum from the inflow to continue such change. The redemptions of United States notes last year were $122,680,000 and the average for five years $101,231,200. It would be easy to transform half of this sum into gold certificates.

By this process the United States notes would grow less weak, and before very long become in fact gold certificates, as they are now in essence, in the ratio which the reserve holds to them, or 43.2 per cent. (See Table D.)

The silver dollars have of late been severely assailed in and out of Congress. They are denounced as excessive in volume and as a menace to the integrity of the currency. Demand has been loud for their redemption in gold, and for the reduction of their number by coinage into fractions. Predictions have been put forth that some official may, at his option, pay them for interest or some other high obligations. Assault on a fortress does not prove that it is vulnerable, but it does challenge vigilance and defense.

While additions to the silver dollars were constant, their force for evil or for good grew apace. The repeal of the act for the purchase of silver, set a barrier to the current and checked it. The recent stoppage of the coinage of dollars fixes a limit to their volume, and permits a calm survey of their use and their abuse.

Silver dollars in circulation and not covered by certificates on July 1, 1900, were $65,889,346, and 3.2 per cent. of the total currency. The volume increased for three years, but the ratio fell to 3 per cent. of the total circu-

lation. In the last fiscal year, including the coinage for Treasury notes, the volume became $71,561,684, or 2.8 per cent. of the total circulation. (See Table E.)

SILVER DOLLARS.

The silver dollars in the Treasury reach the maximum from October to December annually, and the minimum in July or June. In 1900 the difference between summer and early winter was $8,203,467; in 1901 it was $10,422,985; in 1902 it was $6,651,358; in 1903 it was $9,794,447; and in 1904 it was $10,011,539. This is a margin of practical elasticity in these metallic dollars, and marks the currents of their use in the varying seasons. This elasticity is in so far an offset to the weakness of such coinage.

The critic has a right to say that his objection rests not only against the seventy or eighty million dollars in circulation as such but also against the 460 or 470 millions covered by certificates.

The demand for dollars and certificates makes sturdy answer. In the late autumn, the Treasury finds the drain on these kinds of currency exhaustive. Its ten offices in September, 1900, held only $55,006 silver dollars and $3,646,159 in silver certificates. Since then the minimum holdings have not fallen so low. Dollars were $1,405,631 in December, 1902, and $898,275 last September, while silver certificates in the autumn months of 1903 and 1904 were $4,271,562 and $6,192,783. (See Tables F and G.)

These conditions are created by the movements of the crops, which call for dollars and small bills. The Treasury prepares by husbanding such resources, and on August 22 last, before the autumn shipments began, had in its several vaults in United States notes, nearly all in $10, $15,716,020; in silver dollars, $22,641,903; and in silver certificates, all in $1, $2 and $5, $7,100,458. This is a total of over $45,000,000, available for putting on the market corn and wheat and other grains, provisions, cotton and sugar. Great as this sum is, if it shall fully meet all the requirements of the season, those who have in other years been troubled to secure small currency will rejoice. As far as it goes, it will illustrate the measure of elasticity possible with forethought and vigilance under our system. To that extent the weakness of rigidity is mitigated.

BANK CIRCULATION.

Bank notes on July 1, 1900, issued by 3,732 banks were $300,115,112 and 14.6 per cent. of the total circulation, and became at the outset of this fiscal year $433,595,888, issued by 5,386 banks, and 17.2 per cent. of such circulation. (See Table E at the end of the address.) They have thus increased faster than the currency as a whole. Students of finance regard them with very different views. To very many our banking system seems the best in the world. By others bond security for circulation is denounced as unduly expensive, viciously rigid and unresponsive to trade necessities. The limit of the monthly reduction to $3,000,000 is especially offensive to them. Not all such critics, but many, seek a substitute in currency based on general assets. Some thoughtful financiers look with alarm on the rapid and continuous increase in bank notes, and object to any device for adding to them.

The suggestion is urged for the gradual substitution of Government certificates covered by gold and silver. Bankers are questioning the profit of putting out circulation, and some great institutions restrict their deposits of bonds for that purpose to the lowest amount permitted by law.

While less than one-sixth of the entire circulating medium, bank notes give rise to by far the greater share of discussion in the field of the currency. Is such currency a deformed and nervous sister in the family, requiring most of the expert care of the doctors? Or is it Cordelia among Lear's daughters, constant, faithful and true, dispensing comfort and blessing? Absolutely safe as they are, everywhere current for purchase and payment, these notes are the storm centre of financial controversy.

CLEAN MONEY.

Of late another weakness in our currency is vigorously exposed. The paper money is not clean. Banks are not willing to pay the charges for transportation to secure new bills; if they were, the face of the notes could be kept more nearly fresh as the bedewed morning flowers. No general agreement on such a policy is likely. Can Congress be induced to spend half a million or a million dollars a year for the increased redemption, the larger number of new bills, and the cost of shipment in and out? The answer can hardly be given here and now.

FREQUENT APPEALS FOR CHANGE.

Instability is not a virtue in finance. In this country no topic is too sacred for discussion, and statesmen and professors, editors and orators have not had the field of the currency to themselves. Every one who can sharpen a pencil or own a typewriter or get an audience in a club or on a corner, can tell you where Hamilton was wrong, where Congress has blundered, how useless is our nation's experience. The halls of legislation are open to every scheme. The theorists who assume infinite wisdom, and discern only ignorance and vile motives in opponents, are always busy. The cynics clothed in malice, who find nothing good in existing conditions, and the tuft hunters who prefer foreign methods to anything American, never fail of occupation.

Many projects, many devices, many cooks, and if the broth is not always perfect, it serves fairly well and might be worse. At the last session of Congress, which was not very prolific, no less than twenty-one bills aiming to change our currency were introduced. If not one was passed, every project sought to unsettle in some way existing conditions. (See Table H.)

The threat of instability is one of the penalties of the great blessing of free speech and unstinted right of petition. The day must have its shadow as well as its sunshine.

PARITY.

The confession that weak links can be found in our financial chain shall not drive us into pessimism. We know the growth and the reserve of strength. Under the act of March 14, 1900, every dollar is equal to every other dollar, and all are interchangeable. Because they are most in use among all the people everywhere, the small notes are in greatest demand. If conditions point at all to a premium, the ones, twos and fives will command it first. But the level is well maintained. Whatever winds blow or storms beat, our currency has a surface as clear and even as a mirror. That surface is not of mercury, shifting and undulating; it is formed of the minted gold.

GOLD AND ITS PRODUCTION.

The stronghold of our financial system is its actual gold, as well as our statutes. The world has about $5,500,000,000 of this metal, of which the United States has in its stock $1,342,422,740. In the last reported year, the world produced less than $300,000,000, of which our mines gave $80,000,000. Our Treasury holds $700,000,000 in gross, and our banks, national and other, have $300,000,000, approximately. So over one-fifth of all the world's gold is in the United States, and the bulk of it in the banks and the Treasury. The increased in gold in both forms in our currency in five years has been just less than $300,000,000 ($299,853,457), and in the past year, from August 1 to August 1, $137,727,920. The charge is put forth often in spirit, and sometimes in words, that we are extravagant and wasteful in the possession of so much of the precious metal. Are we?

A leading financial journal of this city quotes the President of one of the largest banks in San Francisco as alleging that it costs $20 to get a dollar of gold out of the ground. Was the metal all that the picks of the miners and their self-sacrifice took out of the earth? Did not the argonauts of 1894 and their successors create the California of today? The ranches, the orchards, the wheat and the fruit, the factories and shipyards, the cities, the churches, the universities, the civilization of that prosperous commonwealth, are a part of the harvest planted by that $20 of the miners.

A writer in the "Nineteenth Century" alleges that in Australia the balance in gold mining has been adverse, and in the same review we read that on the whole gold discoveries have not been of use. For all fields response may be given on the same lines as for California. Is not California now, is not Australia, worth all they cost? But we are not studying whether gold prospecting or gold mining as an industry is profitable or the reverse. Loss may befall the miners in direct results, and yet by extending population, opening up new districts, creating new centres of production, they may add largely to the welfare of mankind.

IS THE GOLD SUPPLY IN EXCESS?

Quite another question is whether the supply of yellow metal in this country and in the world is in excess. That problem is important and far-reaching. We are to note that gold here is in the ratio of 44.9 to the total currency, while in Great Britain it is 70; in France, 62.12; in Germany, 66.10; in Russia, 87.71, and in Austria-Hungary, 68,90. In all these countries combined, gold is 69.6 to the total circulation. If the world's experience is to be accepted our gold is not in excess, although our whole volume of money may be too great.

Gold, whether in coin or certificates, becomes elastic as currency just to the extent that it comes to the Treasury and goes out from the vaults. This counter-flow has no limit save the operations of trade. No payments or deposits in this form will be rejected, and the treasury will be held intact until the public use draws it out. Coin and certificates are interchangeable, and elasticity may assert itself to any degree.

Our total circulation per capita at $31.06, exceeds that of every other nation save France, where it is $39.22. But our industry and enterprise and local traffic also lead in the comparison. The question is grave whether our currency is not in excess of our needs.

INTERNATIONAL OPERATIONS.

American finance connects itself with world movements. While we cannot follow the debate relative to the profit of gold mining, we must recognize the fact that among the great commercial nations the yellow metal is the only instrument for the final adjustment of trade differences. The experience of mankind has chosen it for that purpose, and there is no other instrument available. A few countries still cling to silver, but they all show signs of adopting the richer metal. Thus gold becomes more masterful. Those who put themselves in hostile array, denounce it as costly and double the value of discovery and production, are bound to provide, at least, in theory, some other tool for settling the world's commerce. The era of rude barter has passed away. The stress of trade insists upon the best machinery.

In the past fifteen years we exported in gold $890,231,329, and imported $845,452,765.

From 1890 to 1896, inclusive, every year showed an excess of exports to an aggregate of $273,961,117. In only two years since then, 1900 and 1903, were the exports greater than the imports, $5,802,143 in all, while in the other years of the period the imports were $234,984,696 in excess. In the last fiscal year, in spite of exceptional foreign payments, the imports surpassed the exports by $17,595,382. So the exports for the whole period were the greater by $44,778,564, and this is only equal to our own production of the metal for seven months. More significant still it is only 5 per cent. of the outward movement for the period. (See Table I.)

CLEARING-HOUSE FOR THE NATIONS.

Yet the full sums of imports and exports were carried across the ocean, at great risk, heavy cost for freight, and not a little loss by abrasion. Why should this treasure be carted back and forth between nations, as the banks of this and other cities used to deliver money to each other? Is it not possible to frame a system by which only the differences may be paid in metal at proper intervals? Surely it would be cheaper to pay the balances than the gross sums, as the clearing houses daily testify.

Why cannot an international clearing house be organized? Perhaps jealousy will forbid the selection of a single city for the purpose, as the Greek cities were rivals for the deposit of the offerings to Apollo. The international organization may well have its vaults in London, Paris and Berlin, as wel as in New York, and the treasure can be divided in the ratio of the gold of the several countries. The certificates of the four vaults can be interchangeable. The barbarism of shipping kegs of metal east and west over the Atlantic may go with the method of the mummies and the cave-dwellers.

REAL AND ENDURING STRENGTH.

American finance does not stand alone, a Teneriffe in mid-ocean, a Shasta or Ranier or Mont Blanc rising in solitary majesty among their ranges. It is the vital current of the activity of the people. Its strength is not in theory or in petty technicalities. It is strong with the brain and brawn of 82,000,000 citizens; with the varied resources of mine and soil and forest; and running waters; with the sheep and horses on many ranches and the cattle on a thousand hills; with coal and iron and all their products; with wheat and corn and sugar and cotton; with the inventive minds and skillful fingers of efficient artisans; with forge and factory and dynamo and motor, and not least with school and college, with university and church. Financial strength is in wealth of every kind, but not less in the purest morality and the worthiest character.

Table A.—United States Notes of each Denomination Outstanding on July 1st of the Years Named.

DENOMINATION.	1900.	1901.	1902.	1903.	1904.
One dollar	$2,131,554	$2,039,792	$1,986,042	$1,948,854	$1,921,344
Two dollars	1,899,702	1,674,644	1,560,354	1,505,364	1,470,064
Five dollars	77,056,202	51,393,182	30,159,042	18,214,025	11,864,960
Ten dollars	99,922,211	135,122,771	193,459,821	233,501,631	245,440,011
Twenty dollars	77,031,172	70,471,252	54,439,282	40,682,442	35,826,942
Fifty dollars	13,564,175	12 365,575	9,598,125	6,686,300	5,799,075
One hundred dollars	23,090,750	22,652,550	17,927,850	12,572,900	10,961,600
Five hundred dollars	10,835,250	12,390,250	9,258,500	7,701,500	9,694,100
One thousand dollars	42,125,000	39,551,000	29,213,000	24,848,000	24,683,000
Five thousand dollars	15,000	10,000	10,000	10,000	10,000
Ten thousand dollars	10,000	10,000	10,000	10,000	10,000
Total	$347,681,016	$347,681,016	$347,681,016	$347,681,016	$347,681,016
Unknown, destroyed	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net	$346,681,016	$346,681,016	$346,681,016	$346,681,016	$346,681,016

Table B.—Gold in the Treasury Set Apart for the Respective Uses on July 1st for the Past Five Years.

DATE.	*Reserve.*	*For certificates in circulation.*	*General fund belonging to Treasury.*	*Total.*
July 1, 1900	$150,000,000	$200,733,019	$72,844,952.68	$423,577,971.68
July 1, 1901	150,000,000	247,036,359	97,811,938.42	494,848,297.42
July 1, 1902	150,000,000	306,399,009	103,801,290.97	560,200,299.97
July 1, 1903	150,000,000	377,258,559	104,162,230.43	631,420,789.43
July 1, 1904	150,000,000	465,655,099	66,183,722.60	681,838,821.60

Table C.—Ratio of United States Notes and Standard Silver Dollars to Total Circulation.

FISCAL YEAR.	*Total circulation.*	*United States notes.*	*Standard dollars.*
1880	$973,382,228	33.6	2.0
1890	1,429,251,270	23.4	3.9
1895	1,601,968,473	19.9	3.2
1900	2,055,150,998	15.4	3.2
1904	2,521,151,527	13.2	2.8
1904, August 1	2,546,589,503	13.0	2.7

Table D.—Some Details, July 1, 1904.

United States notes outstanding	$346,681,016.00
United States notes of the denomination of $10	245,440,011.00
United States notes of the denomination of $10	70.7 per cent.
Gold in Treasury—	
July 1, 1900—Gold in the Treasury	423,577,971.68
July 1, 1904—Gold in the Treasury	681,838,821.60
Amount of increase	$258,260,849.92
Per cent. of increase	60.9
Ratio of the Reserve Fund to the United States notes—	
United States notes outstanding	$346,681,016.00
Reserve fund	150,000,000.00
Reserve fund—per cent. of United States notes	43.2

Table E.—Standard Silver Dollars and National Bank Notes in Circulation and Per Cent. of each to the Total Circulation on July 1 for Past Five Years.

Year.	Standard silver dollars.	National bank notes.
1900—Amount	$65,889,346	$300,115,112
Per cent	3.2	14.6
1901—Amount	66,921,323	345,190,116
Per cent	3.1	15.8
1902—Amount	68,747,349	345,476,516
Per cent	3.0	15.3
1903—Amount	72,391,240	399,996,709
Per cent	3.0	16.8
1904—Amount	71,561,684	433,595,888
Per cent	2.8	17.2

Table F.—Maximum and Minimum Circulation of Standard Silver Dollars in each Fiscal Year for the Past Five Years.

Fiscal year.	Maximum.	Minimum.
1900—October	$71,361,740	....
July	....	$63,158,273
1901—December	76,182,326	....
July	....	65,759,341
1902—December	73,239,986	....
July	....	66,588,628
1903—November	78,700,912	....
July	....	68,906,465
1904—December	81,573,223	....
June	....	71,561,684

Table G.—Minimum Amount of Silver Certificates and Standard Silver Dollars in the Treasury in Each Fiscal Year for the Past Five Years.

	Silver certificates.	Standard silver dollars.
1900—August	$3,646,159	....
September	....	$55,006
1901—October	3,743,255	....
December	....	1,082,182
1902—August	5,731,158	....
December	....	1,405,631
1903—October	4,271,562	....
November	....	602,110
1904—September	6,192,784	....
November	....	898,275

Table H.—Financial Bills Introduced in 58th Congress.

Bill to make currency responsive to varying needs of business (see bill H. R. 1934).
Bill to issue post-check notes (see bill H. R. 1976).
Bill to issue currency redeemable in bonds of United States (see bill H. R. 2543).
Bills to provide emergency currency (see bills H. R. 4060, 4850).
Bill to provide for clean paper money (see bill H. R. 4826).
Bill to improve currency conditions (see bill H. R. 4831).
Bill to provide for coupon currency of small denominations (see bill H. R. 4842).
Bill to further provide for redemption of mutilated currency (see bill H. R.)
Bill to establish system of postal currency (see bill H. R. 5808).
Bill to issue Treasury notes for purchase of State, county and city bonds (see bill H. R. 8131).
Bill to authorize issue of National bank currency (see bill H. R. 8454).
Joint resolution for commission to revise financial laws of United States (see H. J. Res. 63).
Bill to issue currency notes in exchange for United States bonds (see bill H. R. 8701).
Correspondence relative to bill (H. R. 5068) to further provide for redemption of mutilated currency 738.
Bill to further provide for redemption of mutilated paper currency (see bill H. R. 10871).

Bill to further provide for redemption of mutilated currency (see bill H. R. 12307).
Resolution of inquiry in House relative to retirement of National bank notes (H. Res. 311) referred 4732.
Bill to improve currency conditions (see bill H. R. 4831).
Resolution of inquiry in House relative to retirement of National bank notes, passed, 5087.
Report of Secretary of Treasury relative to retirement of National bank notes (H. R. Doc. 697) 5440.

Table I.—Gold Exports and Imports from 1890 to 1904.

FISCAL YEAR.	*Exports.*	*Imports.*	*Excess of exports over imports.*	*Excess of imports over exports.*
1890	$17,274,491	$12,943,342	$4,331,149	....
1891	86,362,654	18,232,567	68,130,087	....
1892	50,195,327	49,699,454	495,873	....
1893	108,680,844	21,174,381	87,506,463	....
1894	76,978,061	72,449,119	4,528,942	....
1895	66,468,481	36,384,760	30,083,721	....
1896	112,409,947	33,525,065	78,884,882	....
Total	$518,369,805	$244,408,688	$273,691,117	....
1897	$40,361,580	$85,014,780	....	$44,653,200
1898	15,406,391	120,391,674	....	104,985,283
1899	37,522,086	88,954,603	....	51,432,517
1900	48,266,759	44,573,184	$3,693,575	....
1901	53,185,177	66,051,187	....	12,866,010
1902	48,568,950	52,021,254	....	3,452,304
1903	47,090,595	44,982,027	2,108,568	....
1904	81,459,986	99,055,368	....	17,595,382
Total	$371,861,524	$601,044,077	$5,802,143	$234,984,696
Net	....	....	....	229,182,553
Aggregate	890,231,329	845,452,765	44,778,564	....

General stock of gold in the United States—
July 1, 1890—Gold coin, including bullion in Treasury $695,563,029
July 1, 1904—Gold coin, including bullion in Treasury 1,326,722,701

Increase $631,159,672

NOTE.—The net excess of exports over imports ($44,778,564) is 5.03 per cent. of the total exports.

The convention next listened to a speech by John W. Mitchell, of Richmond, Va., who spoke as follows:

SPEECH OF JOHN W. MITCHELL.

Mr. Chairman, were it not for remarks made here today I should not come and appeal to you or speak to this Convention. For the first time I think in the history of the American Bankers' Association, although having been a member for many years, I appear upon its rolls, I come, sir, only after I consulted the white business men of the South, and it was upon their advice that I occupy a seat in these halls.

I wish to say, Mr. Chairman, that I am a product of the southern soil, educated there; I served six years on the board of aldermen under Democratic control, and while associated there with white men I have yet for the first time to recognize any discrimination on account of my race, color, or religion. I wish, Mr. Chairman, to emphasize the fact that there is no disagreement between the better class of colored people of the South and the better class of white people of the South. You told us to eschew politics and go into business. We have followed your advice. We knocked at the door of religion; when it opened we saw that its pathway led straight to heaven, and we were not ready to go there. We tried the door of politics, and we have come out of that door upon your suggestion, and upon the suggestion of the business element, the white element of the South, we are now knocking at the doors of finance, and the white men there in the South are leading us on and on, and will lead us on, until we have reached a certain limit I presume, and until that time will serve as our guide.

I am here, then, Mr. Chairman, in search of information. God knows the people that I represent have had a hard time of it. We have nine million people in this country, four million, according to the census reports are bread-winners and it is on behalf of the bread-winner that I am here today. We recognize a colored man in the South is as respectable in the community as he is respectable to himself and becomes valuable to the community and pays his taxes. We have found the true way to reach the pinnacle of success is through the avenues of finance, and so we have the Savings bank in Richmond, and it is authorized to do business, and nowhere in the administration of that have we found a white man who will refuse to help us when we ask him for our support, or fail to give encouragement when it was in his power.

It was true, Mr. Chairman, that I thought that there would be no objection to my presence here to-day. Certainly at the South they would not object. I presume the East and the North and the West would afford me free permission and permit me to sit here and enjoy the flow of oratory which has encouraged my soul, and when I awoke from the spell I wondered if at last I had not reached heaven.

We intend to rise to higher things. The only thing that is handicapping us in the South is the bad class of negroes, and if we could throw that out we would be that must better off. I wish you to understand that between the better class of white men and the better class of colored men there is no conflict.

I wish to call your attention to the fact that we have ten colored banks in the United States to-day—all in the Southern States. I wish you to understand that not one of those colored banks can exist without the authority of Southern white men, that they are incorporated by them, and that they give them the authority to do business. I wish you to understand that they have an accrued capital of $235,000, with deposits aggregating $300,000.

I tell you the white man of the North has never been able to understand the differences between the two classes in the South. When you hear white men get up here and talk about the negro, they mean the Northern negro, they do not mean our kind. We are just as much opposed to that kind as they are.

As I told you a minute ago, if you will examine the census report No. 8, just sent out, you will find that there are nine million negroes in this country, and of the nine million, there are four million bread-winners. Now, what are the bread-winners doing? Do you know that we produce $172,128,000 worth of crops a year? Do you know that of the Southern prosperity our people produce $756,381, worth of the tobacco crop? Do you know that we negroes produce $4,148,939.39 worth of wheat at 70 cents a bushel, and that the market has gone to $1.20 a bushel? Do you know that we produce $40,356.71 worth of oats? Do you know that we produce $215,926,43 worth of rye? Do you know that we produce $768,580.74 worth of potatoes? Do you know that we produce $2,691,939.85 worth of sweet potatoes? And do you know that we produce $46,687,439.70 worth of corn, making a total production of the negroes of the South of $252,437,515.89 per year?

I have not included the production of rice, for in 1900 we produced 26,-574,750 bushels of rice, and we produced 299,287 tons of hay, and we produced 29,059 bushels of buckwheat in 1902, demonstrating that these are the bread-winners of the South, and that there is no law between this class of people and the other class of white people to which you can refer.

Now, our distinguished friend from Georgia—oh, how I like to hear a white man direct from the South, how I like to hear him talk; there is something musical in his voice even though he abuses it. I will tell you to-day that we have some of the best material that you ever saw from the South. Take your distinguished Secretary there, Colonel James Branch, you cannot find a finer specimen of manhood anywhere.

If I have said anything that will give you a better opinion of the poor black in the South, if I have created a better impression, that is something. I want you to understand that we are separate from the hoodlums of both races. I want you to understand that there is no trouble between the better class of whites and blacks. I want you to understand absolutely the negro is working out his own salvation; he must do it if he hopes to rise to higher things. Pardon this allusion to Richmond; they own there $1,100,000 worth of property.

In the State of Virginia they own $18,400,000 worth of property, and pay taxes thereon. These are official reports I am citing from. I am not dealing in any fantastic figures; I have enough authority for all I say. I also wish you to understand that the colored people own $499,400,000 worth of farm lands and products; that they own over $7,000,000 worth of property in the United States to-day.

Therefore, I ask you to think of the negro as a white man will. The only thing is, they are a little slower about their politics, and that comes from the upper and lower strata. But a man of the John W. Daniel type never begrudges a humble character like myself.

(Mr. Mitchell made some other remarks at this time which were not intelligible from the platform.)

In the coming years remember that we are all Christians. In the years to côme to those who would say unkind things of our class, meaning the other class of negroes, we would say, in the words of the Saviour, when the last day shall come, when the evening sun is setting for the last time, when my last day shall come, I shall say in his words: "Father, forgive them; for they know not what they do."

Col. Lowry: It gives me a great deal of pleasure to hear from our colored brother of Virginia. He has stated it right. There is no trouble between the best classes, between my race and the other race, in Georgia. All working men, white or black, are given the right hand of fellowship and the same chance to get up as the other. It is the loafing negro, and it is the loafing white man, that makes it hard. I am very glad to hear this gentleman from Richmond. I am very glad indeed to hear him speak. As a Southern man, born and bred in the South, I love one part of this country just as much as I do the other. He has stated the facts and I am glad he is here. He said it in a way that speaks well for himself.

The President: I am sure it is not necessary for the Chair to say that Mr. Mitchell must be aware himself that no one has been accorded during this convention a better reception than he has at the present time. It was not a shadow that he threw across our proceedings, and in the matter of oratory it was very clear that there is no color line in the South.

Col. Lowry: Gentlemen, you will pardon me, but I have a communication that I wish the secretary to read. It pertains especially to the cotton raising and the cotton manufacturing in that section of our great country, and I ask the permission of the President and you gentlemen to have it read.

Secretary Branch thereupon read the letter referred to as follows:

Letter Regarding Cotton Growing and Manufacturing.

Mr. Dear Colonel Lowry:—In view of the world-wide importance of the South's cotton crop and the dependence of Europe upon this country for its supply of this staple, as the foundation of its largest manufacturing industry, I recently suggested that an international cotton spinner's convention be held in the South in order to enable the spinners of Europe to study in person the cotton-growing and cotton-manufacturing possibilities of the South. This suggestion met with a quick response from the leading cotton manufacturers of New England and the South, as well as from cotton growers. The governors of several Southern States, appreciating the importance of having a visit to the South from the cotton spinners of Great Britain, also wrote me urging that the matter be pushed. Mr. Edward Atkinson, of Boston, immediately became so much interested in the matter that he wrote to a number of friends in England calling their attention to the suggestion and urging that a large delegation of spinners come over this fall and make a personal study of the subject. Among those to whom he wrote was Mr. Scott, editor of the "Manchester Guardian" and likewise a member of Parliament. At Mr. Atkinson's suggestion I wrote Mr. Scott and suggested that if the cotton spinners of England favorably received the idea I would arrange that an invitation be

extended to them from the cotton people and other leading business organizations of the South. Other friends took up the matter with their English correspondents, and yesterday I received a cable from the "Manchester Guardian" stating that the English cotton manufacturers would probably accept an official invitation if extended from the American cotton trade.

In view of these facts Mr. S. F. B. Morse, President of the Southern Cotton Corporation, and a few other friends interested in the upbuilding of the South, have joined me in an invitation to Southern bankers in attendance upon this convention, to an informal dinner at Sherry's, Friday evening at 7:30, in order that while spending an hour or two in social intercourse the bankers here representing all parts of the South may in such a gathering express through an invitation to the cotton spinners of Europe the hope that they will visit the South and see in person the resources and advantages of this section as the center of the world's cotton-producing interests.

The bankers from the South who desire to attend are requested to give their names to Mr. E. W. Lane, of Jacksonville, and Mr. L. F. Hillyer, of Macon, in order that cards of invitation may be issued to them.

In view of your deep interest in the upbuilding of the South I would ask that you kindly call attention to this at to-day's meeting of the association.

Very truly yours,

RICHARD H. EDMONDS,

Editor "Manufacturers' Record."

COL. J. D. POWERS, of Louisville, Ky.: Mr. President and Gentlemen of the Convention—Our stay here in New York has been so thoroughly pleasant that I think we are under some duty to give expression to what we may feel on this occasion, and whilst I confess I have not put myself in the attitude where I might express my real feelings as I would like to, I have written the following, which is subject to your amendment at will:

In recognition of the ability, skill and absolute fairness of our most worthy president, Mr. Bigelow, we desire to put on record our thanks. We would also give emphasis to our appreciation of the sympathizing and tireless energy of our most efficient secretary, Colonel Branch, who has displayed such marked ability in building up our membership.

At this, the largest and most successful meeting of the association since its organization, we desire to express our thanks, no less than our gratitude, in appreciation of the efforts of the various local committees and members of the association in Greater New York for the charming manner in which they have dispensed the most lavish and generous hospitality in which there was nothing overdone and nothing left undone, for our comfort and pleasure, giving assurance of a really true welcome. We are not unmindful of how much the press, the telegraph and telephone companies have contributed to make this occasion so thoroughly successful and to them we make our acknowledgments with thanks.

I move the adoption of these resolutions.

The motion was seconded and unanimously carried.

THE PRESIDENT: Unless there is some further discussion on practical banking, I call for the report of the committee on nominations.

[A list of the officers presented by the committee on nominations and elected by the convention will be found at the end of this report.]

COL. LOWRY: I will read a little resolution that I would like to have passed upon:

Be it resolved by the American Bankers' Association, That we direct the secretary to send copies to each of the Senators and Congressmen of the United States of the resolution passed at this session relative to the Lodge Bill looking to better our consular service, and a copy of this resolution urging its passage.

THE PRESIDENT: Gentlemen of the Convention—You have heard the resolution. What is your pleasure?

On motion, duly seconded, the resolution was adopted.

THE PRESIDENT: It is my pleasure, if you will allow me one moment, to announce to you that there is present with us today—although I think he has gone out of the hall now—William G. Deshler, of Columbus, Ohio, who was one, and I think, perhaps, the only living, charter member of this association.

The new officers were introduced to the convention.

PRESIDENT BIGELOW: The Chair would like to have President-elect Swinney upon the stage.

Mr. Swinney, and Members of the Convention: It is a great privilege and great personal pleasure to me to have come to this chair, which I have tried to fill as best I could, a man of whose judgment, character and ability it is not improper for me before his face to testify. I wish you all the success, and more than has ever come in the past to this association, I wish that it may follow your administration, and it is with mingled feelings of pleasure and regret that I turn over the chair to you.

PRESIDENT SWINNEY: Mr. ex-President, Ladies and Gentlemen—Becoming president of this association brings with it a certain tinge of regret—regret that in another short year I will have to be classed with that ancient furniture as Mr. Bigelow, Captain Lowry, and my hairless-headed friend, Mr. Hendrix, and others.

To be chosen president of the American Bankers' Association is an honor that any man should be proud of, and I assure you that I appreciate greatly your consideration. I am especially pleased, as it is a recognition of what was known a few years ago as the far West, this being the first time the office has gone west of the Missouri River. As your president I will use my best efforts to in every way forward the interests of this association, and in doing so I ask and will expect the support of all of its members. I thank you.

EX-PRESIDENT BIGELOW: As we have had hardly any conflicts in this convention that were not soon ended, a little one between the president and its ex-president now will be allowed, and I have consented to it. I never want to assume a duty that belongs to another or to undertake the privilege that ought to be his, but Mr. Swinney, with his characteristic modesty, which you will have to deal with now for twelve months to come, has asked me to present, although I think it was his privilege, Mr. John L. Hamilton, the vice-president of the association. I will ask Mr. Hamilton to come upon the platform and receive this indication of his office. Here is the vice-president's button, a button I forgot to bring to the association for a couple of years, but which I feel I must bring now under pain of arrest. I welcome you to the office of vice-president.

VICE-PRESIDENT HAMILTON: Mr. President and Members of the Association—I would be derelict in my duty if I did not state to you that I appreciate the fact that Mr. Bigelow brought the button. I appreciate the high honor that you have conferred upon me in selecting me as vice-president of this greatest financial organization the world has ever known. It shall be my purpose to aid our worthy president in pushing forward the work of this organization along the line that has heretofore been pursued by the honorable gentlemen that have preceded me.

I believe it is the duty of the American bankers to see to it that the finances and commercial interests of this nation are protected. This can only be done through an organization like this, and can only be done by the officers having the united support of the membership of this association. Gentlemen, I am here to do what I can to further the interests of the American bankers so long as they further the interests of the American public. I want again to thank you for this high honor that you have conferred upon me.

Ex-President Bigelow: Mr. President, I wish to make one little thing clear in my record. I announced a few minutes ago that, in my opinion, Mr. Deshler was the only living charter member of this association. I find to my greatest surprise that I am mistaken because I must present to you now a gentleman so youthful in heart and mind that it did not seem to me he could be one of the charter members. I have the honor to present Mr. Logan C. Murray, who is a living charter member.

(Before Mr. Murray spoke Mr. Walker Hill spoke.)

Mr. Walker Hill: Mr. President, and Gentlemen of the Convention—We have a gentleman here from Milwaukee, and I would like to see him. Stand up.

(Mr. Bigelow stood up.)

Mr. Hill: Your Honor, and Gentlemen of the Jury—I have a prisoner at the bar, and I want to make my charge, and after I have made it I will leave it to you whether or not he is guilty or not guilty. On arriving here Monday night I went to him and said: "Mr. Bigelow, I want ten minutes of the American Bankers' Association's time." He says: "On what subject?" I said: "On education, and I want to be recognized after the committee on education has made its report." He says: "All right, I will see that you get that ten minutes." I did not get that ten minutes. I was told by him that there was a New York banker here who had been waiting for three hours to speak to you and he refused to recognize me, but with true Missouri persistency I demanded recognition and got on this platform to tell you about the backbone of this country, Missouri, and the heart of the world, St. Louis, and was interrupted three times by this Tom Reed, Jr., and by that secretary of yours, Colonel James Branch. He says, "Cut it short, cut it short, cut it short." You did not hear that, but I did. It knocked every idea out of my head and I, gentlemen of the jury, am going to give you just about two minutes of that speech which would have been only ten minutes, because this prisoner at the bar is not the presiding officer. We have before you a presiding officer who has got a breadth of beam and baldness of head which shows that he is a broad man. A Missourian born in Virginia and transplanted to Missouri. I tell you when you get that combination, as you see in the present speaker, they are hard to beat.

I wanted to tell you that at the World's Fair there is a building of about six acres of ground, the Building of Education, and in that building, the only one that any exposition in the world's history ever had separate and distinct for education, and of that group of juries I happened to serve on one, the one on banking and insurance. The United States only had four exhibits in that group. France had 213, Germany about forty, Belgium about forty, Italy about forty, and instead of sending men like your speaker there to judge of that they have sent in Leopold Marcella, one of the greatest artists that I ever came in contact with, a man who for twenty years has used the best of his heart and his brain to teach the working man or the wage-worker that he must provide in his youth for what might happen in his old age, pre-

venting that man, he says, from being a tax on his government, and preventing that man from being what we would term a socialist. I stayed there for one week's time and with this great mind all stored with that which would build up mankind and make them better citizens, and also the great man from Germany, who also has given twenty years of his life—Dr. Zacka—those men both have written books on social economics, banking and insurance particularly, which I understand have a half million circulation. We also had the gifted Dr. Careto of Italy and Dr. Marcelle, of Belgium, and I will offer to say that if this convention could get those four men before them and hear their talk along the line that they have made the study of their lives they would pronounce our prisoner at the bar a culprit, and you would pronounce the prisoner at the bar guilty for not permitting me to get up here and sound their praises. But I am delaying you. I have no doubt that you have free lunches, free examinations and free everything here.

The object of my being here this minute is to present a bowl. I believe I was the first ex-president who ever received one of these, but whether or not, the secret I cannot tell you. You must not think that we are spending your money every year in getting a new bowl, because I have not looked in my wife's jewelry to see whether mine is there or not, but I believe this is the same bowl. The prisoner at the bar had me day before yesterday where the hair is short. I have got him today where the hair is long. But seriously, gentlemen, I am delaying the prisoner. He thinks I am going to pronounce him guilty. I will say that I have served with him three years on the executive council. There has never been a question that has come up there that if he expressed an opinion it did not have weight, for it seemed that he was a good thinker. As your presiding officer he has acted with dignity and with care. As your presiding Tom Reed he has acted with precision and judgment and without fear. I wish to present him this bowl in the name of the American Bankers' Association. I wish to say to him that 7,300 bankers present it with all that feeling that comes from those who know him, and to those who do not I will say to them that he is a fine fellow, and I welcome him into that mystic circle of has-beens.

EX-PRESIDENT BIGELOW: My old friend, Mr. Hill—I am not referring to age, but to acquaintances—talk about Southern oratory, talk about an endeavor to get about two minutes time to present the claims of the great exposition at St. Louis! I tell you that while oratory is born and bred, and grows and flourishes in Southern men, it is only when you get one born in Virginia and transplanted to Missouri that you get the real thing.

It is a good deal easier sometimes to be bold than it is to be brave, but today, returning, as I do, thanks to every member of the American Bankers Association, I would almost rather try to be brave than to be bold. I hope this may serve many times as a solace and a hope in that large family circle that needs sometimes to be cheered, and I hope it will often be filled, and I shall see creeping around the edges in mental visions the figures of Mr. Gage and Mr. Hill and that young charter member, Mr. Murray, and Geo. Russel, and all the other members, ex-presidents now, it will be a great delight and pleasure to me if in contemplating them and getting acquainted with the contents within the bowl, my eyes grow dim and I fail to recognize them, yet it will be, as Holmes so beautifully said, "That will be the fault of a stupid skull, not of my golden bowl."

I shall ever praise it and the sentiment it betokens and carries with it as long as I shall live. I thank you again and again.

COLONEL BRANCH: Before you go I want to put on your breast a little pin that shows you have joined the army of ex's, and this is the sign.

A MEMBER: It has always been the custom of this society to honor those to whom honor belongs, and we have now only two surviving members who constituted the association in 1875, and I have the pleasure of introducing Mr. Dehsler of Columbus, Ohio, and Mr. Logan Murray.

MR. DEHSLER: Gentlemen of the Convention—My friend Murray and myself, I believe, are the only two living members of the original fourteen who organized the American Bankers' Association thirty-odd years ago. In passing through New York I desired to come up and look on your faces, there are very few old faces, all young men, all modern men, and they demonstrate the growth of the banking business compared with what it was thirty years ago. I tried to think what was the earning capacity of the banks you gentlemen represent in thirty years. Just think of it! It is a big thing. I am not a speaker. My friend Murray is a Kentuckian and he was one of the "kids." We called him our kid when we organized, and if he walks up here he will tell you more about it.

MR. MURRAY: I thank you very much indeed for the opportunity I have of having you look at so old a man as I am, and I want to say that I feel extremely comfortable in the company of such men as William G. Dehsler. There were men of those days, all have gone, fallen wearily down, wearily down; but one man whom we delight to honor, Mr. William G. Dehsler of Columbus, Ohio, is here. I thank you very much for the privilege the president has given me of looking into your faces again. I thank you.

THE SECRETARY: I suppose the executive council know it, but to make sure I will state that there will be a meeting of the executive council in what is known as the banquet hall, a room in the Thirty-third Street Hotel, immediately after the adjournment of this convention.

PRESIDENT SWINNEY: Is there anything else before the convention? If not we will stand adjourned.

Thereupon, at 1 o'clock, P. M., Friday, September 16, 1904, the convention adjourned *sine die*.

OFFICERS OF THE ASSOCIATION.

PRESIDENT.

E. F. SWINNEY, President First National Bank, Kansas City, Mo.

FIRST VICE-PRESIDENT.

JOHN L. HAMILTON, of Hamilton & Cunningham, Bankers, Hoopeston, Ill.

TREASURER.

RALPH VAN VECHTEN, Cashier Cedar Rapids National Bank, Cedar Rapids, Iowa.

JAMES R. BRANCH, *Secretary*. WM. GORDON FITZWILSON, *Assistant Secretary*.

Office of the Association, Hanover Bank Building, New York, N. Y.

Executive Council.

G. S. WHITSON, Chairman; Vice-President National City Bank, New York, N. Y.

* MEMBERS EX-OFFICIO.

E. F. Swinney, President First National Bank, Kansas City, Mo.

John L. Hamilton, Jr., Cashier Hamilton & Cunningham, Hoopeston, Ill.

Lyman J. Gage, President United States Trust Co., New York.

Logan C. Murray, President American National Bank, Louisville, Ky.

Charles Parsons, President State National Bank, St. Louis, Mo.

M. M. White, President Fourth National Bank, Cincinnati, Ohio.

Robert J. Lowry, President Lowry National Bank, Atlanta, Ga.

Joseph C. Hendrix, Director National Bank of Commerce in New York, N. Y.

George H. Russel, President State Savings Bank, Detroit, Mich.

Walker Hill, President American Exchange Bank, St. Louis, Mo.

Alvah Trowbridge, Vice-President Commonwealth Trust Co., New York City.

Myron T. Herrick, President Society for Savings, Cleveland, Ohio.

Caldwell Hardy, President Norfolk National Bank, Norfolk, Va.

Frank G. Bigelow, President First National Bank, Milwaukee, Wis.

MEMBERS FOR ONE YEAR.

John S. Williams, President Richmond Trust and Safe Deposit Co., Richmond, Va.

W. T. Fenton, Vice-President National Bank of the Republic, Chicago, Ill.

D. Sloan, President Lonaconing Savings Bank, Lonaconing, Md.

Arthur Reynolds, President; Des Moines National Bank, Des Moines, Ia.

James T. Hayden, President Whitney National Bank, New Orleans, La.

†A. H. Wiggin, Vice-President Chase National Bank, New York.

†Charles L. Farrell, Vice-President Fort Dearborn National Bank, Chicago, Ill.

†A. V. Lane, Cashier National Exchange Bank, Dallas, Tex.

†Luther Drake, Cashier Merchants' National Bank, Omaha, Neb.

†A. A. Crane, Cashier National Bank of Commerce, Minneapolis, Minn.

MEMBERS FOR TWO YEARS.

James K. Wilson, President San Francisco National Bank, San Francisco, Cal.

J. D. Powers, President United States Trust and Vault Company, Louisville, Ky.

J. R. Mitchell, Vice-President Winona Deposit Bank, Winona, Minn.

James B. Finley, President Fifth National Bank, Pittsburg, Pa.

Stephen M. Griswold, President Union Bank, Brooklyn, N. Y.

†W. K. Coffin, Cashier Eau Claire National Bank, Eau Claire, Wis.

†H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls, So. Dak.

†C. M. Sawyer, President First National Bank, Norton, Kan.

†Mills B. Lane, President Citizens' Savings Bank, Savannah, Ga.

†William Livingstone, President Dime Savings Bank, Detroit, Mich.

MEMBERS FOR THREE YEARS.

Clark Williams, Vice-President United States Mortgage and Trust Co., New York.

G. S. Whitson, Vice-President National City Bank, New York.

John Perrin, President American National Bank, Indianapolis, Ind.

Grier Hersh, President York National Bank, York, Pa.

John T. Dismukes, President First National Bank, St. Augustine, Fla.

†E. R. Fancher, Cashier Union National Bank, Cleveland, Ohio.

†T. J. Fletcher, Cashier First National Bank, Marshalltown, Iowa.

†L. B. Farley, Cashier Merchants and Planters' Farley Nat. Bank, Montgomery, Ala.

†William George, President Old Second National Bank, Aurora, Ill.

†F. E. Marshall, Vice-President National Bank of Commerce, St. Louis, Mo.

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* The convention at New Orleans amended the constitution by providing that in addition to the president and vice-president, the ex-presidents should also be ex-officio members of the executive council. The ex-presidents now living are: Lyman J. Gage, Logan C. Murray, Chas. Parsons, R. M. Nelson, M. M. White, Jno. J. P. Odell, Robert J. Lowry, Joseph C. Hendrix, Geo. H. Russel, Walker Hill, Alvah Trowbridge, Myron T. Herrick, Caldwell Hardy and Frank G. Bigelow.

† Nominated by their respective State bankers' associations.

VICE-PRESIDENTS (BY STATES).

ALABAMA..........James H. Fitts, President City National Bank, Tuscaloosa.
ALASKA...... ......B. M. Behrends, Banker, Juneau.
ARIZONA............S. F. Sullenberger, First National Bank, Bisbee.
ARKANSAS..........W. H. Langford, Pine Bluff.
CALIFORNIA........E. McLaughlin, President San Jose Safe Deposit Bank, San Jose.
COLORADO..........M. D. Thatcher, President First National Bank, Pueblo.
CONNECTICUT.......E. G. Sanford, President City National Bank, Bridgeport.
DELAWARE ....Otho Newland, President Equitable Guaranty and Trust Co., Wilmington.
DIST. COLUMBIA....A. B. Clements, Cashier Aetna Bank and Trust Co., Washington.
FLORIDA ....Edward W. Lane, President Atlantic National Bank, Jacksonville.
GEORGIA............Robert F. Maddox, Vice-President Maddox-Rucker Banking Co., Atlanta.
IDAHO...............George D. Ellis, President Capital City Bank, Boise City.
ILLINOIS............Charles L. Castles, Federal Trust and Savings Bank, Chicago.
INDIANA ....Harry L. Scott, Cashier Steuben Co. Bank, Angola.
INDIAN TER........Frank S. Genung, President First National Bank, South McAlester.
IOWA.................S. F. Potter, President First National Bank, Harlan.
KANSAS.............G. W. McKnight, Vice-President First National Bank, Junction City.
LOUISIANA ....J. H. Fulton, Vice-President Commercial National Bank, New Orleans.
MAINE ....F. D. Hill, Cashier Bath National Bank, Bath.
MARYLAND ....R. K. Vanneman, Cashier First National Bank, Havre de Grace.
MASSACHUSETTS....W. F. Hills, Vice-President Traders' National Bank, Lowell.
MICHIGAN ....Morris L. Williams, President Commercial National Bank, Detroit.
MINNESOTA.........C. D. Griffith, President First National Bank, Sleepy Eye.
MISSISSIPPI.........C. W. Troy, Cashier Bank of Tupelo, Tupelo.
MISSOURI ....W. Davies Pittman, Bond Officer Mississippi Valley Trust Co., St. Louis.
MONTANA...........Preston B. Moss, President First National Bank, Billings.
NEBRASKA...........A. L. Clarke, President First National Bank, Hastings.
NEVADA ....John Henderson, President Henderson Banking Co., Elko.
NEW HAMPSHIRE...W. L. Mason, Cashier Keene National Bank, Keene.
NEW JERSEY........Uzall H. McCarter, President Fidelity Trust Co., Newark.
NEW MEXICO........Charles B. Eddy, Vice-President First National Bank, Alamogordo.
NEW YORK...........Arthur J. Bissell, President People's Bank, Buffalo.
NORTH CAROLINA..Wm. T. Old, Cashier First National Bank, Elizabeth City.
NORTH DAKOTA....N. M. Young, Cashier Cass County National Bank, Casselton.
OHIO................George Guckenberger, President Atlas National Bank, Cincinnati.
OKLAHOMA.........Wm. E. Hodges, Cashier First National Bank, Stillwater.
OREGON.............H. L. Gilkey, Cashier First National Bank of South Oregon, Grant's Pass.
PENNSYLVANIA.....W. W. Ramsey, Cashier German National Bank, Pittsburg.
RHODE ISLAND.....Horatio A. Hunt, Cashier American National Bank, Providence.
SOUTH CAROLINA..J. A. Law, President Central National Bank, Spartanburg.
SOUTH DAKOTA....R. W. Loomis, Cashier Merchants' Bank, Faulkton.
TENNESSEE..........C. A. Lyerly, President Chattanooga National Bank, Chattanooga.
TEXAS..............W. H. Rivers, Banker, Elgin.
UTAH ....Frank Knox, Vice-President National Bank of Republic, Salt Lake City.
VERMONT ....F. G. Howland, Cashier National Bank of Barre, Barre.
VIRGINIA...........H. E. Jones, President Dominion National Bank, Bristol.
WASHINGTON........A. F. Albertson, Vice-President National Bank of Commerce, Tacoma.
WEST VIRGINIA....L. J. Bayha, Cashier German Bank, Wheeling.
WISCONSIN..........George N. Fratt, Cashier First National Bank, Racine.
WYOMING...........John E. Freeborn, Cashier Stock Growers' National Bank, Cheyenne.
HAWAII.............Cecil Brown, President First National Bank, Honolulu.

TRUST COMPANY SECTION.

The eighth annual convention of the Trust Company Section of the American Bankers' Association met in the Grand Ball-Room, of the Waldorf-Astoria, New York city, Tuesday, September 13, 1904.

In the absence of the chairman (Mr. Breckinridge Jones) and the vice-chairman (Mr. E. A. Potter) the meeting was called to order by Mr. Clark Williams, member of the executive committee, at 10:30 o'clock, A. M., and a prayer was made by Rev. Dr. Tiffany.

THE CHAIRMAN: It is a great regret to me to be compelled to announce to the members of the section that our chairman, Mr. Breckinridge, Jones, is unable to attend this meeting because of the recent sad death of Mrs. Jones. Later in our proceedings we will doubtless take the opportunity to express the affectionate sympathy we all feel for him whom we regard as the founder of this section.

An address of welcome was delivered by George W. Young, president of the Trust Companies' Association of the State of New York, who spoke as follows:

ADDRESS OF WELCOME BY GEORGE W. YOUNG, PRESIDENT OF THE TRUST COMPANIES' ASSOCIATION OF THE STATE OF NEW YORK.

Mr. Chairman and Gentlemen—You are indeed welcome on this, your first, assembling in the City of New York as members of the Trust Company Section of the American Bankers' Association. And although there are, in gatherings like this, none of the outward manifestations which accompany those where men are brought together to celebrate some great feat of arms or accomplishment in statesmanship, there is, nevertheless, to my mind, a peculiar and relatively quite as important a significance in your presence here to-day.

For I may, in justice and without exaggeration, say that this is a visit of distinguished guests, whose coming to our city, under the conditions which bring you here, is an event to be emphasized and chronicled as a recognition by us all of the benefits which must follow a frank and full interchange of views among those respectively charged in their several spheres of usefulness with duties having close relation to the security of the property of our citizens, and hence of the prosperity of the nation and the high regard to which our financial institutions are justly entitled, not only at home, but abroad.

To a discussion of this character, not alone those of this metropolis, but of all communities represented here, can make equally valuable contribution.

New York may be said to be the counter over which money is exchanged; but the wealth of this city is not derived alone from its own environment. It relies for its prosperity upon the communities represented by you quite as much as it does upon the vested wealth of its own citizens.

Although some transactions here are on a larger scale than elsewhere, they are in all essentials dependent upon conditions quite similar to those which characterize successful banking in the communities from which you come. They are all founded upon confidence and credit; justified by methods which insure intelligent and faithful action of the trustee toward the beneficiaries.

When Henry W. Grady, of Atlanta, made his first visit to New York he was approached by a reporter and asked his opinion of this city. The reporter, instead of seeing an exhibition of humility on the part of Mr. Grady, was met with the reply—that he thought New York was the "Atlanta of the North"; and so each of you, with equal facetiousness, I think, may substitute for Atlanta the name of the city which he represents. For the greatness of New York, its stability and security rest upon the same foundation upon which your several communities have builded, be they great or small—namely,

the general prosperity of the country, which is to be attributed not alone to the products of the soil, to its mines, its manufactures and its commercial activities, but to the character of the financial institutions in which as depositaries the moneys and earnings of the rich and poor alike have been safeguarded.

In extending to you a hearty welcome to New York city I wish to congratulate the Trust Company Section upon the fact that it enjoys the honor of being a part of the American Bankers' Association. The functions of National and State banks and trust companies are co-operative more than competitive. It is a pleasure to recognize that this convention represents another step in the progress of the mutual relations of friendship existing between these great institutions.

The growth of trust companies in numbers and influence during the past few years has been rapid. Twenty years ago there were less than one hundred trust companies in America. To-day there are more than a thousand, with resources amounting to over three billion dollars. You remember that Dr. Holmes once said: "Put not your trust in money, but put your money in trust." His advice, meant merely for a breakfast table epigram, has been followed to a marvellous extent. In New York State alone the trust companies have deposits amounting to nearly one billion dollars; and this is but one instance of the sure and solid growth of the trust companies of America.

Trust companies are peculiarly American institutions, organized to meet the demands of existing business conditions. They are a natural growth due to the progressive spirit of our times. The watchword for the banks and trust companies should be co-operation. While their functions are different, their interests are identical.

Naturally, the rapid growth of the trust companies during the past few years has brought up many questions for consideration and discussion. These questions should be considered without antagonism and without hostility. It should be remembered that a large majority of the directors in National and State banks are also directors in trust companies, and that the capital employed comes from the same source. The competition between the banks and trust companies is competition between men in the same business working for the same ends and using the capital of the same employer.

The National and State banks are well organized. We must see that the State organizations of trust companies are completed and continued. The Association of Trust Companies of the State of New York, which has made me its President—an honor I fully appreciate and of which I am justly proud—is now well under way. The perfection of the organization of trust companies in the various States is the best preventive of any differences between banks and trust companies that may affect the interests and convenience of the public. The natural outcome of such organizations will be co-operation between them and the adoption of general rules for the regulation of business, in the framing of which both institutions will have a voice. Strong trust company associations in every State will result in these two classes of financial institutions working more closely together than they have in the past, and will be of material assistance in promoting harmony of action and co-operation.

There should be no opposition, nor aught but friendly rivalry between the two classes of financial institutions. They should work on lines which are parallel and not on lines which cross one another. There is no real antagonism between the two; and any assertion to the contrary is ill-founded, and will, I feel sure, disappear as time demonstrates that the functions of the two are strictly complementary.

Gentlemen, for you the latch-string is on the outside of the door of every financial institution in this city. I again bid you a most hearty and cordial welcome.

THE CHAIRMAN: In the absence of our chairman, Mr. Jones, Mr. Festus J. Wade, president of the Mercantile Trust Company, of St. Louis, will reply to Mr. Young's cordial welcome.

REPLY BY MR. FESTUS J. WADE, PRESIDENT OF THE MERCANTILE TRUST COMPANY, ST. LOUIS.

Mr. Chairman, I rather agree with Henry W. Grady. After several visits to New York I am somewhat of the impression that New York compares very favorably with St. Louis.

In responding to the welcome, so cordially extended to us by the gentleman who has just spoken, we are not a bit surprised. It is the welcome that we have been accustomed to whenever we have visited New York, the reason being that we come here as children to a mother. New York city and its trust companies are the mother of trust companies. Here precepts are defined, plans and principles laid out for the conduct of our several financial institutions; here we come in times of distress; and here we come in times of tranquillity; here we come in times of adversity, and here we com in tims of success. At all times when we strike the border of this great city with a reasonable, just, equitable, business proposition, that open-hearted candor is always extended to us, and why should we be surprised at this cordial reception.

I fully concur in everything that the distinguished gentlemen has said looking forward to the organization of State sections of the Trust Company Section of the American Bankers' Association, and in that is the strength of the future trust company. The trust company today is an institution second only in importance to the financial system of the National banks of the United States of America. The deliberations of this convention can make the trust company system stronger, and in a very short time build it to the equal of the National banking system.

As we act wisely so will our future be governed, and if we show the same spirit of good will and friendship in all parts of the United States as is extended to us by the bankers and trust companies of New York city, then our institution is an established fact in every part of this great land. Gentlemen, I thank you.

THE CHAIRMAN: The report of the secretary of the section will now be listened to.

SECRETARY'S REPORT.—TRUST COMPANY SECTION.

NEW YORK, September 1, 1904.

To the Members of the Trust Company Section:

Sept. 1, 1903, there were 453 members in the Trust Company Section, 113 members have been added to our rolls, making a total membership of 566.

Received from sale of two copies of Trust Company Forms..........		30.00
		$2,549.92
Expenses of San Francisco convention....................	$336.50	
Expenses of committee on subject of auditing	304.80	
Proceedings, 1903	169.52	
Salary, assistant to secretary	537.50	
Expenses of executive committee meeting, New York, April 26, 1904	247.50	
Stationery, printing, etc.	142.05	
		$1,737.87
Balance August 31, 1904..................................		812.05
September 1, 1903. Balance		$2,519.92

Respectfully submitted,
JAS. R. BRANCH, *Secretary.*

THE CHAIRMAN: Gentlemen, you have heard the report.

Upon motion the report was adopted and placed on file.

THE CHAIRMAN: As the chairman of your executive committee I will read the following report:

REPORT OF THE EXECUTIVE COMMITTEE, BY CLARK WILLIAMS, CHAIRMAN.

The executive committee of the Trust Company Section of the American Bankers' Association respectfully submits the following report:

The increase in the number of trust companies and their growth in strength has been so rapid during the recent past that few persons fully realize the relative importance of this class of institution in the financial fabric of our country. Twenty years ago there were less than one hundred trust companies in the United States. To-day there are more than a thousand of these companies, with resources exceeding $3,000,000,000.

The constant introduction of new ideas and methods of operation in different localities in answer to the public demand renders the friendly cooperation among these companies almost essential. This co-operation is made possible through the development of the ideas and purposes of the founders of this section of the American Bankers' association. In 1896 this organization was effected with fifteen members. Today the section has a membership of 566, with aggregate resources in the neighborhood of $2,500,000,000.

With the original purpose of the founders of the section in view your committee has endeavored to offer advantages of practical value, and to this end its first endeavor was to secure from every trust company in the country suggestions as to the work of the section and as to how the annual meeting might be made most interesting. The results of this inquiry were carefully considered at a meeting of your committee held in New York on the 26th of April, and the character of our procedings today is largely the result.

At this meeting of the committee it was determined to publish in one volume the proceedings of the section from the time of its organization. This volume is published in the interests of the trust companies of the United States, in the hope that the valuable addresses, papers and discussions contained therein may be permanently preserved for the use of the members of the section and that through a clearer knowledge of the character of the work of the organization those not members may better appreciate the advantages of such association.

This book is now being sold to cover the cost to the section of its publication, and the demand for it thus far has justified the opinion of your committee as to its value.

The members of the section have previously been advised of an arrangement made by your committee with the Audit Company of New York by which that company offers to advise with members of the section as to any detail of forms and systems of accounting, without charge. The constant growth of the business of trust companies along different lines would seem to render services of this character of special advantage, and it is hoped that these facilities will be generally availed of.

The executive committee has requested a number of typical trust companies in different parts of the country, members of the section, to furnish blank forms of all characters used in their different departments. These blanks have ben bound in convenient form and will be on exhibition in the registration room during the convention, after which they will be lodged in the secretary's office, at No. 11 Pine street, for inspection of the officers or members of the section at any time.

Advertising matter, pamphlets, etc., issued by many members of the section are similiarly exhibited, and will be lodged with the secretary. These exhibits are interesting, and it is believed will be of practical value.

In response to the demand of many of the members, a committee has been appointed to render a report on the "Classification of Legal Decision Relating to Safe Deposit Companies," "Duty and Liability to Box-Holders," and a "Compilation of the Rules and Forms of Typical Trust Companies." This report is submitted in printed form. The Executive Committee takes this opportunity to express its thanks to the firm of Messrs. Rounds, Hatch, Dillingham & Debevoise, of New York for their valuable contribution to the report in their discussion of the law bearing on this subject.

The executive committe has accepted the suggestion of this committee and will recommend that a standing committee be appointed to render an annual report continuing this line of work.

The uncertain business done by many companies using the word "trust" in their corporate titles, but being in no respect moneyed corporations nor doing a trust company business, and the frequent failure of these companies tends to reflect discredit on those corporations doing a legitimate trust company business. It has seemed wise to your executive committee to recommend the appointment of a standing committee, to be known as the committee on protective laws, whose duty it shall be to endeavor to secure the enactment of laws in the several States prohibiting the use of the word trust in the corporate title of any corporation not a moneyed corporation and chartered to do trust company business.

The committee recommends and will present for your consideration an amendment to the by-laws of the section providing for the designation of the executive officers of the section as president and first vice-president, that the number of members of the executive committe be increased from nine to fifteen, and for the election of a vice-president of the section from each State having a membership in the American Bankers' Association of ten or more trust companies. The purpose of this amendment is to widen the interests in the work of the section and to secure more adequate representation of the trust companies in different parts of the country.

The executive committee takes this opportunity unreservedly to declare its adherence to the original purpose of the founders of the section, who, in their wise judgment, formed the Trust Company Section as subordinate and supplemental to the American Bankers' Association.

Representing co-ordinate branches of the money institutions, we are part of the warp and woof of the financial fabric of the country, and it is to our interest to stand as an integral part of the American Bankers' Association, which aims to bring within its folds the financial powers of the United States.

In the absence of Mr. Jones, Mr. Potter, our vice-chairman, was prepared to preside at this meeting, but an unfortunate accident occurring to Mrs. Potter has detained him in Chicago.

The duty, therefore, falls upon the chairman of the executive committee, and with a full appreciation of the disappointment it is to us all that neither Mr. Jones nor Mr. Potter is able to be present, I ask your patient indulgence in undertaking to preside over this meeting.

The report of ths executive committee was accepted and placed on file

THE CHAIRMAN: You will notice the report of the committee on the classification of legal decisions relating to safe-deposit companies, the duty and liabilities of box-holders, and the compilation of the rules and forms of typical companies. I trust this report will be found of great value to the members of the section, as it represents considerable labor, and if you approve the action suggested by your executive committee, that a committee be appointed to continue this line of work, we shall have an annual report similar to this, along the lines of this report submitted.

[This report is printed on pp. 582-590.]

We will now listen to an address on the subject of conservatism by Mr. F. H. Fries, the President of the Wachovia Loan and Trust Company, of Winston-Salem, North Carolina. Colonel Fries is also President of the North Carolina Bankers' Association and a member of the executive council of the American Bankers' Association, and eminently qualified to give us sound advice on this important subject.

CONSERVATISM.—ADDRESS OF F. H. FRIES, PRESIDENT WACHOVIA LOAN AND TRUST COMPANY, WINSTON-SALEM, NORTH CAROLINA.

Your executive committee recently requested the members of the Trust Company Section to give their views as to the subjects that should be considered at this meeting, and the replies received revealed quite a desire on the part of many that there should be an earnest consideration of the proper field

for the trust company, and a consideration of the abuses that have been made of their extraordinary privileges.

In obedience to this wish one of the members of the executive committee has requested me to present some thoughts on the subject of "Conservatism," and I have undertaken the task the more cheerfully, because I find myself in thorough sympathy with the committee, and I believe it to be a subject that can well command the serious attention of this assembly.

The growth of the trust company business is slow and sometimes very discouraging, and there comes to not a few the necessity for means of support. This fact, and the temptations to obtain profits, cause the management to take up whatever presents the surest and quickest returns consistent with the charter. It may be, and it most frequently is, banking in its various forms; again the buying and selling of real estate, the dealing in stocks and bonds, or the promotion of some enterprise, and thus the trust company becomes in reality a bank of discount, a real estate company, a broker's office, or something else.

The name of the company and the chartered privileges in some cases indicate that the company was designated for other lines of business and should never have been named a trust company at all. It is called a real estate and trust company and does a land company business, or an insurance and trust company and does an insurance business, or a banking and trust company and does a banking business, or a fidelity and trust company and does a bonding business. Besides this, we find that not a few State banks have been chartered with trust company privileges and that some are seeking to do a business peculiar to a trust company.

It is not necessary to argue to this body that this condition of affairs is not as it should be and that it will sooner or later not only bring confusion but may bring discredit upon the name of trust company and the business it represents.

I do not want to be understood as saying that it is not perfectly right for anyone to engage in either or all of the different forms of business enterprises that have been in different ways combined with those of the trust company, nor that many of them cannot be successfully and properly conducted by the trust company in the capacity of agent, but I do desire to clearly present the anomalous position the trust company as such is getting into, when other institutions are assuming to do its legitimate business and all kinds of business enterprises are being conducted under the trust company name, and this to such an extent that it has been derisively called the department store of finance.

The fact that the charters granted to trust companies must be very liberal and their terms expressed in language broad enough to cover all cases that may arise under the various positions they may be called upon to fill, the fact, also, that the trust company has grown rapidly and in all directions and under many varying and diverse conditions and the further fact that the management in very many cases has been inexperienced, is no doubt an explanation why the business has become so general in its character and in some cases so foreign to its original purpose.

Without attempting to analyze any special case, or even consider the various conditions that may influence any particular business, allow me to present the trust company as an abstract proposition, created for a specific and special work and then to see what it can and cannot with propriety undertake to do.

The trust company was conceived and organized to take the place of individuals in those fidelity relations enumerated as executor, administrator, guardian, trustee, assignee, committee or agent. It will be observed that each and every one of these are positions of trust that are given or bestowed upon the trust companies and are created either by an individual, a corporation or a court of equity; that the duties incident to these positions compel the trust company to labor for and on behalf of persons or corporations outside of the company itself; that the character of the position is such that the utmost good faith is required and nothing inconsistent with the duties assumed or adverse to the interests involved would appear permissible.

Broadly speaking, the trust company acts for others and not for itself. It serves the interest it represents, and gets its compensation for the ser-

vices rendered. To engage, therefore, in a business incompatible with these relations would seem to be foreign to the purposes for which it was intended.

If time permitted, the analysis of the departments more or less common to trust companies would show the excellent work accomplished by each, and also that in each of these departments the company may go to extremes, and thus bring upon the business, more or less, just criticism. Especially is this true in the various cases where the trust company is called upon to act as agent, and in which, even where it is acting with perfect propriety, it may suffer reproach on account of the character or the transactions of the principals.

A great deal of profit has of late years come to certain trust companies through the reorganization of railroad or of large business enterprises, or the consolidation of kindred industries, and the underwriting of some of the resulting securities. This kind of business can be done with perfect propriety and much profit. The trust company can act as a depository for the exchange of bonds, as well as the subscription payments on the stock, as it is called in; it can attend to the issue of all stocks, for which it becomes the appointed registrar, and it can take for itself, or its customer, a certain part of the resulting securities. It can even join a syndicate and agree beforehand to take a fixed amount of such securities as may not be disposed of at a satisfactory price and participate in the profits of such a syndicate transaction, provided such securities are backed by actual values and are of such a character as to rank with investment bonds.

Opportunities have been and will be thus offered where perfectly safe and desirable bonds can be secured at prices not otherwise obtainable; but gravest dangers lurk in this class of business, and without the greatest caution the institution may find itself associated in exploiting an enterprise of doubtful merit and questionable success.

A trust company should consider this class of business with the greatest care and some degree of suspicion. The utmost caution should be exercised, not only in ascertaining the true merit and sound policy of the plans proposed, but also in ascertaining the character of the men presenting the project and the associates that will underwrite it. If any of these three points are not entirely satisfactory and first-class, the trust company should not give it consideration. It cannot, without risk and great danger to its best interests, become associated in any way with an unsuccessful undertaking, much less loan its fair name to anything that is not absolutely above reproach.

Perhaps there is as much need among trust companies for greater conservatism in the quantity of securities taken by them as there is in the quality. Too much is frequently as bad, if not worse, than too little and is more liable to bring on an attack of the proverbial indigestion that is so often followed by pain and distress. It is much better to follow the merchant's advice to his son, to buy early and buy often, than it is to become overstocked. That institution is soundest and safest that buys only investment securities and only buys investment securities when it needs them.

These illustrations do not cover the entire field of the trust company, but they illustrate how the expansion or the abuse of its extraordinary privileges may affect the business. Greater conservatism is certainly necessary to preserve the high character of the trust company and some steps might be wisely taken by this Trust Company Section to restrict the business within certain lines and certain limitations.

It might, through concerted effort on the part of its members, so influence legislation that no new trust company would be chartered with less than an adequate capitalization, commensurate with the size and character of the community in which it will operate, and that no outside or inconsistent powers or privileges are granted in these charters, and it can with propriety insist that greater care and conservatism be exercised by those now operating throughout the country.

The best way perhaps to accomplish this later object would be to instill into the officers a proper realization of the high standard of rectitude that the nature of the business requires. They should realize that their institution cannot undertake to do what an individual, acting as a trustee, cannot do, and that any act or practice that would lessen the financial standing, or lower the reputation of the individual, will also in like manner sooner or later affect the trust company, no matter what its capital or earning capacity may be.

They should realize that the business in which they are engaged is a noble and exalted one; that there is none more so; for what business relation can be conceived as higher or holier than that of controller and conservator of the funds that support the widow and the orphan, and the financial advisor of the most innocent and confiding, as well as the most needy and dependent members of society? They should realize that the word trust in its original and unperverted sense means that confidential reliance which one person bestows upon another's integrity, veracity, justice and fair dealing, and that this beautiful word stands for the business in which they are engaged. It is inscribed, as it were, in golden letters upon the banner under which the members of this section of the American Bankers' Association are advancing. It emblazons to the world the sentiments for which the business stands. It beckons its followers onward to worthier efforts and loftier aims. It leads away from the marshes that would entangle the business of the trust company with others of incompatible or of doubtful character, as well as away from the dangerous and rocky slopes of speculation and exploitation, toward the heights of unselfish and devoted service, upon which it will ever shine in its pristine simplicity and splendor.

THE CHAIRMAN: Gentlemen, at two previous meetings of this section we have listened to articles on the subject of the duties and responsibilities of the transfer agent and the registrar. It will give us all a great deal of pleasure, I am sure, to hear an address by Mr. Jordan J. Rollins, of Rollins & Rollins, attorneys of New York, who will address us on the "Protection of Trust Companies Acting as Transfer Agents and Registrars."

THE PROTECTION OF TRUST COMPANIES ACTING AS TRANSFER AGENTS AND REGISTRARS.—BY JORDAN J. ROLLINS, OF ROLLINS & ROLLINS, ATTORNEYS, NEW YORK.

The functions of transfer agent and registrar of corporate securities are not discharged to any great extent by corporations in the United States outside of the larger cities. Nevertheless, the subject of the obligations and liabilities incurred by corporations in the assumption of those duties is probably of interest to all representatives of trust companies wherever organized, and has, no doubt, been the subject of earnest thought on the part of each of those representatives. Therefore, it is to be hoped that a consideration of how the trust company may best be protected in the discharge of the important duties of those two offices will prove of common interest to you all, even though that consideration in large part dwells upon conditions as they obtain in the State where you have now met. What is true of the law of New York, or the lack of it, as regards authoritative adjudications, upon the subject which we propose to discuss, is likewise applicable to other parts of the country, subject only to slight changes or modifications; for, as will be seen, the necessity for the corporate transfer agent or registrar, and the special fitness of the trust company to act in those capacities, are natural consequences of general business methods, and not of mere local custom.

The New York Stock Exchange lays down the rule that "Corporations whose shares are admitted to dealings upon the Exchange will be required to maintain a Transfer agency and a Registry office in the city of New York, Borough of Manhattan."*

Both the Stock Exchange and the Legislature seem to have taken it for granted that the duties and liabilities of a transfer agent and of a registrar were so perfectly understood as to need no definition or regulation.

But a careful investigation of the subject leads to the conviction that those duties and liabilities have never been clearly fixed or determined, either by authority or custom.

While each particular instance of transfer agency is, like any other agency, created by the contract between principal and agent, that contract is generally in substance a mere resolution by the board of directors of the principal company that some other company act in that capacity, and the

*Const. N. Y. Stock Exch., art. xxxiii, sec. 1.

assumption of the work by the designated company, in pursuance of such resolution. The appointment of the registrar is effected in much the same way.

The contracts thus created are, therefore, peculiarly open to variation in judicial interpretation by the inclusion of implied provisions.

The result is that the trust companies find themselves today engaged in a large and growing branch of business, the conditions of which are not plainly defined and are to be determined only by a careful consideration of the elements which have combined to create independent transfer agency and registry and make them corporate functions.

While you all know and understand the obligations of a company to its stockholders regarding the transfer of the certificates of stock, it may not be amiss, in approaching the question before us—the due protection of a trust company in acting as transfer agent and registrar of another corporation—to direct your attention to a few cases in which the disastrous consequences that have befallen corporations through the improper transfer of their certificates are clearly set forth. These cases have been chosen with the purpose of showing that liability can arise equally through honest mistake, negligence or fraud. In each instance, it is gratifying to note, they have had their origin not in the employment of a corporate transfer agent, but in the acts of officers of the issuing company.

A wrongful transfer may occur, for example, through a mistake of fact where the title to stock is affected by some law peculiar to a foreign State or country, or by some complicated contractual relation.

A case passed in review by the Court of Appeals of New York,* in 1901, where title to stock was subject to questions arising both from peculiar foreign law and contractual complications, affords a striking illustration of the uncertainty which may attend the task of transferring stock of a foreign corporation.

The West India Improvement Company, which was a New York corporation, mortgaged all property then owned or thereafter acquired by it to the Central Trust Company, for the benefit of bondholders. Subsequently, the Improvement Company became the owner of the stock of the Jamaica Railway Company, a corporation organized under the laws of Jamaica, but instead of delivering the certificates so acquired to the Central Trust Company, pursuant to the terms of the mortgage, pledged them with the Manhattan Trust Company as security for loans evidenced by notes.

"Subsequently, as found by the Referee," * * * "the legal title to the shares of stock was transferred to the defendant, the Manhattan Trust Company." (By this the Referee probably meant that the record of transfer was made on the railway company's books at Jamaica, or wherever they were kept.)

The Central Trust Company afterwards learned of the pledge of the stock to the Manhattan Trust Company, and immediately brought an action seeking to have the stock declared subject to the mortgage as a prior and superior lien, the certificates delivered to it, and the West India Improvement Company and the Manhattan Trust Company enjoined from making any sale or disposition of them. The court said, in the course of its opinion:

"At the time the improvement company made the assignment to the Manhattan Trust Company it delivered to that company the certificates of stock (which then stood in its own name) with transfers and powers of attorney indorsed on the certificates and executed by the assignor. If the railway company had been a domestic corporation and the transfer of its stock subject to the law which prevails in this State, it is clear that by the delivery of such certificates and transfers the Manhattan Trust Company would have acquired the legal title to the stock, as against every one except the railway company, and being a purchaser in good faith for value to the amount of the notes which were discounted for cash, would have held it free from any lien or claim of the plaintiff."

The court then proceeded to discuss the finding by the Referee that by the law of Jamaica the legal title to the capital stock of the railway company, as between the improvement company and the Manhattan Trust Company, could pass only by deed of transfer and did not pass by the delivery of

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*Central Tr. Co. vs. West India Imp. Co. 169 N. Y. 314.

certificates with transfers in blank duly indorsed thereon, and proceeded as follows:

"Certificates of stock are neither choses in action nor negotiable instruments; but both in England and in this country it has been sought to render dealings in stocks practicable and to secure the rights of purchasers by giving to stock certificates attributes of negotiability to a certain limited extent. So the rule is settled in England that a purchaser in good faith, without notice, who succeeds in obtaining his transfer to be first registered holds his stock free from any equities of other persons.

"If the instruments which the Manhattan Trust Company obtained from the improvement company before the advance of the money on the notes, were sufficient to enable the trust company by its own act, or at its own volition, to acquire a legal title to the stock, then, upon such transfer on the books of the railway company, the title of the trust company became indefeasible."

But the court did not attempt to decide whether in fact the title was indefeasible, as a new trial was necessary in any event.

In a case in the United States Circuit Court* it appeared that certain stock of an Arkansas corporation had been pledged in New York. Under the New York law the pledge would have been good, but under the Arkansas law its validity was doubtful.

The court stated, quoting the United States Court of Appeals:

"Whatever the general principles of international law in relation to assignments of personal claims may be, the validity of a transfer of stock is governed by the law of the place where the corporation is created."

Although the liability of the issuing corporation was not in question in either of the cases just cited, it clearly follows from the rule laid down in each that ignorance or disregard of the law of a foreign State or country may result in wrongful or invalid transfer of stock there created. In such cases the issuing corporation would be liable for the consequences.

In a case decided by the Supreme Court of the United States in 1887 it appeared that stock standing in the name of A was transferred upon an assignment purporting to have been made by A through B, as her attorney. The corporation knew that B had theretofore acted as the representative of A, and did not require from him any clear proof that he was authorized to effect the particular transfer, honestly believing from his representations that he was so authorized. The proof not being sufficient to establish agency as a fact, the court was of the opinion that the issuing corporation was liable to reimburse the stockholders for the loss occasioned by its mistake in permitting the transaction.

As will be seen, this was a case where the negligence rendering the issuing corporation liable consisted merely in the failure on the part of some one of its officials to investigate beyond question the authority of the apparent agent of the stockholder to transfer stock for that stockholder.

Mistake and actual negligence, however, seem to have been rare in the transfer of stock, and most of the cases where the issuing company has been subject to liability in connection with the acts of its transfer agent have arisen from fraud on the part of persons so employed.

Of those cases the Schuyler frauds,† which took place in 1852 and 1854, are the most notable, not only because of the extent of their consequences, but because in the enormous litigation which followed, the liability of the issuing corporation for the acts of the transfer agent was fully discussed and definitely settled.

The New York & New Haven Railroad had $3,000,000 capital represented by 30,000 shares of stock.

Schuyler, who was president of the company and its transfer agent, issued and disposed of additional certificates, falsely purporting to represent stock, to the amount of $2,000,000, or 20,000 shares.

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*Masury vs. Arkansas. 87 Fed. Rep. 381, citing Hammond vs. Hastings, 134 U. S. 401, and other cases.

†Mechanics' Bank vs. N. Y. & N. H. R.R. Co., 13 N. Y. 599; N. Y. & N. H. R.R. Co., vs. Schuyler, Cross, et al., 17 N. Y. 592; N. Y. & N. H. R.R. Co. vs. Schuyler, et al., 34 N. Y. 30.

The result was a protracted litigation, in which the holders of the overissue, more than three hundred in number, were finally in a single action joined against the company. In the report of the proceedings in 1858,* before the Court of Appeals, their various claims are described as follows:

"They all claim rights against the company; some that they are stockholders; others that they are either stockholders or have a right of action against the company for their losses. Some claim damages to the full nominal par value of the certificates they hold; others for the money they have actually advanced; while all assert a claim upon the company in some form."

After some years the case reached the Court of Appeals again,† where it was finally held in 1865, that a corporation is liable to the same extent and under the same circumstances as a natural person for the acts and for the negligence of its agent while engaged in the business of his agency, and that neither the fact that the agent was acting outside the terms of his actual authority, nor the fact that the stock so issued was void, nor that the company itself had no power to issue that amount of stock, was any defence to the claims of the holders, because the company had put its agent in a position to perpetrate the fraud while seeming to act within the scope of his authority.

The responsibility of the issuing company for the due registration and transfer of its own stock, as illustrated by the cases I have quoted, is briefly stated in the words of the United States Supreme Court, in another case, as follows: ‡

"The officers of the company are the custodians of its stock books, and it is their duty to see that all transfers of shares are properly made, either by the stockholders themselves or persons having authority from them. If, upon the presentation of a certificate for transfer, they are at all doubtful of the identity of the party offering it with its owner, or if not satisfied of the genuineness of a power of attorney produced, they can require the identity of the party in the one case, and the genuineness of the document in the other, to be satisfactorily established before allowing the transfer to be made. In either case they must act upon their own responsibility. In many instances they may be misled without any fault of their own, just as the most careful person may sometimes be induced to purchase property from one who has no title, and who may perhaps have acquired its possession by force or larceny. Neither the absence of blame on the part of the officers of the company in allowing unauthorized transfer of stock, nor the good faith of the purchaser of stolen property, will avail as an answer to the demand of the true owner."

The limit of the liability thus described by the United States Supreme Court is nicely determined in a decision of the Supreme Court of Massachusetts. In that case an executor pledged stock of the estate which he represented as collateral for a loan to another. The Old Colony Railroad, the corporation which issued the stock, after ascertaining that the executor had absolute power of sale, recorded the transfer and issued a new certificate in the name of the bank making the loan. On default in the payment of the note the bank sold the stock at auction.

In an action subsequently brought to compel the railroad company to issue a new certificate for the benefit of the estate it was held that, although the act of the executor in transferring the stock as he did was fraudulent, the corporation was not bound to look beyond the power of transfer in order to find out the purpose for which the transfer was made.

The court said, in part:

"When a transfer of stock is presented to a corporation it is bound at its peril to see that it is a genuine transfer by one who has power of disposition over the stock."

And citing several Massachusetts cases on that point, continued:

"If it issues a certificate upon a forged or unauthorized transfer, the real owner retains his property in the stock and the corporation may be liable to a bona fide holder of the new certificate. But when a transfer by one who has

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* N. Y. & N. H. R R. Co. vs Schuyler, et al, 17 N. Y. 592.

† N. Y. & N. H. R. R. Co. vs. Schuyler, et al. 34 N. Y. 30.

‡ Telegraph Co. vs. Davenport, 97 U. S. 369, at p. 371. Crocker vs. Old Colony R.R. Co. 137 Mass. 417.

full power to transfer is presented, the corporation has the right to act upon it, and it is not its duty to inquire into the purposes of the parties or to investigate the question whether the transfer is in good faith or is fraudulent."

On the ground that it was not material to the issue, the court declined to discuss the question whether or not the corporation would have been liable had it possessed actual knowledge of the fraudulent purpose of the transfer, but from the other decisions which I have already cited there is little doubt that that fact would have rendered it responsible for the loss.

On the other hand, to quote again from the Massachusetts Supreme Court, in the same case:*

"If a proper transfer is presented to a corporation it is its duty to issue a new certificate in accordance with it, and if it refuses, it is liable to the person to whom the transfer is made."

These cases serve to illustrate the liability of the issuing corporation.

For all loss occasioned, whether by fraud, negligence or unavoidable mistake, by it or its agents in the transfer of its stock, such corporation is absolutely liable, and no excuse can mitigate its liability.

How much of this responsibility attaches to the registrar and transfer agent when they are separate corporations?

While the officers of some companies which act as registrars undoubtedly believe that the responsibilities connected with the discharge of the office are not as great as are those of a transfer agent, that opinion is probably not generally held. According to the practice in New York, at least, a registrar seldom requires more than the exhibition of a cancelled certificate of stock for a given number of shares, and the presentation therewith, either by the issuing corporation or by its transfer agent, of a new certificate for the same number of shares in the name of the transferee of the cancelled certificate. Thereupon the registrar signs the new certificate without requiring other evidence of the correctness of the transfer. Now, if, as a fact, the transfer agent has been induced to cancel the old certificate and to issue the new by a forged or otherwise invalid transfer, the stock does not follow the new certificate. In other words, the new certificate represents no stock. The counter signature of the registrar, which, in effect, certifies to the public that the certificate upon which it appears does not represent an overissue, would, therefore, in such case be false and might be held to constitute grounds for a suit for damages.

This possibility is clearly brought out by an opinion dealing with the relation existing between a corporation and its transfer agent.† The plaintiff in the case made a loan secured by the pledge of a certificate of stock. It developed that the secretary of the defendant company, who was also its treasurer and transfer agent, had forged the president's name to the stock certificate, and in his own official capacities had signed and countersigned the certificate and finally delivered it to his partner for the purpose of obtaining money for their firm. The issuing corporation refused to treat the certificate as valid, but was held liable therefor in an action for damages at the suit of an innocent holder for value.

The court said:

"This result follows from the application of the fundamental rules which determine the obligations of a principal for the acts of his agent. They are embraced in the comprehensive statement of Story, in his work on Agency (9th Ed., sec. 452), that the principal is to be held liable to third persons in a civil suit for the frauds, deceits, concealments, misrepresentations, torts, negligences and other malfeasances or misfeasances and omissions of duty to his agent in the course of his employment."

Again:

"It is true that the secretary and transfer agent had no authority to issue a certificate of stock except upon the surrender and cancellation of a previously existing valid certificate and the signature of the president and treasurer first obtained to the certificate to be issued; but these were facts necessarily and peculiarly within the knowledge of the secretary, and the issue of the certificate in due form was a misrepresentation by the secretary and trans-

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* Crocker vs. Old Colony R. R. Co. 137 Mass. 417.

† Fifth Avenue Bank vs. 42d St. & Grand St. Ferry Co. 137 N. Y. 231.

fer agent that these conditions had been complied with, and that the facts existed upon which his right to act depended. It was a certificate apparently made in the course of his employment as the agent of the company and within the scope of the general authority conferred upon him, and the defendant is under an implied obligation to make indemnity for the loss sustained by the negligent or wrongful exercise by its officers of the general powers conferred upon them."

The court further said:

"The in testimonium clause asserted that the defendant had caused that particular certificate to be signed by its president and countersigned by its treasurer and transfer agent and sealed with its corporate seal February 6, 1885. It is very clear that under the regulations adopted by the defendant, and pursuing the mode of procedure which it prescribed, the final act in the issue of a certificate of stock was performed by its secretary and transfer agent, and that when he countersigned it and affixed the corporate seal and delivered it with the intent that it might be negotiated, it must be regarded, so long as it remained outstanding, as a continuing affirmation by the defendant that it had been lawfully issued, and that all the conditions precedent upon which the right to issue it depended had been duly observed. Such is the effect necessarily implied in the act of countersigning. This word has a well defined meaning both in law and the lexicon. To countersign an instrument is to sign what has already been signed by a superior to authenticate by an additional signature, and usually has reference to the signature of a subordinate in addition to that of his superior, by way of authentication of the execution of the writing to which it is affixed, and it denotes the complete execution of the papers." (Citing Worcester's Dictionary.) "When, therefore, the defendant's secretary and transfer agent countersigned and sealed this certificate and put it in circulation, he declared in the most formal manner that it had been properly executed by the defendant and that every essential requirement of law and of the by-laws had been performed to make it the binding act of the company."

In this case, it is true, the action was brought against the corporate principal, and the question before the court was not that of the liability of the officer in countersigning.

While, therefore, the language of the decision cannot be taken as authority on the latter subject, it conveys a warning that in countersigning a certificate a registrar does rather more than certify the due formality of execution, and at least suggests that the registrar, in addition to the issuing company, would be liable for any damage that might be occasioned thereby.

Let us now proceed to consider the liability of a trust company acting as transfer agent.

In the first place, the position of the issuing corporation to the stockholder differs essentially from that of the agent to the principal.

The corporation, by its contract with its stockholders, grants them certain absolute rights which cannot be affected by the fraud, negligence or mistake of its agent.

The agent, on the other hand, promises the principal that it will do a certain thing, and this promise the general law of agency qualifies by confining it within the limits of ordinary human prudence and ability, unless express provisions to the contrary are contained in the contract itself.

The transfer agent must, of course, follow the instructions of its principal loyally, in good faith, and with reasonable care and diligence.

Loyalty and good faith need no definition, while the care and diligence required by law from an agent in the discharge of his agency has been stated by the courts to be

"The same degree of care that men of ordinary prudence exercise in regard to their own affairs."

and so it has been held, in a case just decided in the highest court of this State,* with regard to directors of moneyed corporations in performing corporate business.

Under these general rules of agency, the responsibility from which the trust company, acting as registrar and transfer agent, relieves the issuing corporation is apparent.

* Hanna vs. Lyon, 179 N. Y. 107.

The trust company assumes the task of providing and supervising men of integrity and ability to perform the duties of registration and transfer, and the liability for loss resulting from the actual negligence or dishonesty of its employees.

If Schuyler, for example, had been the officer of a trust company, acting as transfer agent, that trust company would in all probability have been held liable to the New York & New Haven Railroad for all the loss occasioned by his acts, and the railroad company would have lost nothing, had the assets of the trust company been sufficient to meet the liability.

Moreover, the chance is small that in such an event the loss would have occurred.

Transfer agency is a part of the regular business of the trust company —a specialty in which it has constant practice, and over the details of which, and the men engaged therein, it must exercise active and intelligent supervision.

In short, the trust company has skill, practice and system; its temptation to do right is greater than its temptation to do wrong; it is financially responsible and cannot escape the jurisdiction.

The law, too, has hedged it with safeguards in its own interest and in the interest of its clients.

It would seem that these conditions sufficiently meet the needs for which corporate transfer agents were required, but apparently a doubt has somehow arisen that their liability is bounded by the law of agency, and it has been suggested that they are saddled with the whole responsibility of the issuing company to its stockholders, involving the duty of absolute infallibility, and liability for the consequences of any mistake, however unavoidable, and in spite of the exercise of any degree of care and diligence.

On two occasions there have been read before this section of the American Bankers' Association papers upon the duties and responsibilities of a trust company acting as registrar and transfer agent. The earlier of them argued that the liability involved in the discharge of the functions of the transfer agent was measured by its negligence, but that in the capacity of registrar the liability was not so limited. The latter paper, avowedly prompted by the earlier article, urged that the measure of liability was the same in each of the two representative positions, and that the liability extended beyond that of the ordinary agent; in other words, that the contract between the trust company and the issuing company is, in effect, that the trust company will save the issuing company harmless from all improper issues and transfers, whether the exercise of the utmost care would have prevented the mistake or not. Whether this guarantee was confined to the company whose stock or bonds were the subject of transfer, or extended to the lawful owners of the securities, was not definitely stated by the author of the article, but it was evidently his opinion that should the courts be called upon to deal with the question, they might well hold a transfer agent liable to persons interested in the stock or bonds for any injury sustained through an improper transfer or registration. This opinion drew forth observations from representatives of trust companies indicating that their views of the responsibilities assumed by trust companies acting in either capacity had been correctly voiced in the article.

While every member of the bar, who has given to these questions any consideration, must have definite views as to the principles of law applicable to the duties of the office and the measure of responsibility involved therein, any attempt by me to justify the conclusions reached in either of the papers referred to would be idle at this time. But reflections upon the method by which trust companies can be adequately protected in acting in either capacity, reflections suggested by the diversity of views entertained by the two able writers of those papers, may be of present value.

The object of the usual rule that stock "shall be transferable only upon the books of the corporation" was, and is, simply to settle the ownership of stock beyond dispute by putting in the hands of stockholders and the corporation, accurate and authoritative evidence of title, somewhat like that which the law has created in the case of land, the portable evidence being supplied by the stock certificate as by the deed, and the record by the stock books, as by the books of the register of deeds. Further, owing to the relation between

the stockholders and the corporation involving the right to vote and receive dividends, it was deemed wise that stockholders should not be permitted to bind the corporation by independent transfer, however they might bind themselves.

From these causes arose the need of the formal transfer, the surrender to the corporation of the old certificate, the issue by the corporation of the new certificate, and the entry of the transaction upon the corporate books.

Originally these details of transfer were treated as mere incidents to the business of the corporation whose stock was to be transferred, and, as such, were performed, by one or other its officers or employees discharging other duties as well.

Now in many instances this portion of a company's business is entrusted to another corporation, though this is not in any case necessary, provided there by an independent registrar.

The old by-law of the Stock Exchange providing:

"The Stock Exchange will not call or deal in any active speculative stock of any company a registry of whose stock is not kept in some responsible bank, trust company, or other satisfactory agency."*

While it suggests banks and trust companies as proper registrars, does not necessarily prohibit a corporation from keeping its own transfer agency, nor do the articles of the constitution of the Stock Exchange by which the old provision is superseded, namely:

"Corporations whose shares are admitted to dealings upon the Exchange will be required to maintain a transfer agency and a registry office in the city of New York, borough of Manhattan"; and that

"Both the transfer agency and the registrar must be acceptable to the committee on stock list, and the registrar must file with the secretary of the Exchange an agreement to comply with the requirements of the Exchange in regard to registration."

It therefore seems fair to assume that the reason for the general adoption of independent corporate transfer agents is the purely natural one before suggested—namely, the additional security to the issuing corporation and its stockholders which comes from the services of a responsible agent making this most important function a recognized part of its regular business, over that afforded by the old system with its burden of detail and risk. Trust companies are, by the law of New York, and of other States as well, specifically authorized to act as transfer agents and registrars.

From this brief review of the situation of issuing companies as regards the transfer of their stock, the probable origin of the office of independent corporate transfer agency and registry, and the diverse theories of the obligations and abilities assumed by a trust company in acting in each capacity we are naturally led to consider the protection of the trust company from the viewpoint of those believing in the greatest measure of liability.

Assuming, then, for the purpose of our discussion, the twofold nature of the obligation imposed upon trust companies acting as transfer agents—namely, their liability as agents for negligence and fraud, and the great liability amounting to insurance—to appreciate more clearly what it involves, let us consider a specific instance of the obligation.

Take the case of the United States Steel Corporation, with its enormous capital stock of $1,100,000,000, of which $508,302,500 common stock and $360,140,000 of preferred stock are outstanding.

The Hudson Trust Company was specifically organized to act as the transfer agent of all the stock, the New York Security & Trust Company was designated the registrar of its preferred stock, and the Guaranty Trust Company of its common stock. Now, if the real obligation assumed by these three trust companies is what we have assumed for the purpose of argument, there would be a contingent liability thereby created for no less an amount than $868,442,500, the sum total of the outstanding stock, the validity of which the Hudson Trust Company, as transfer agent, and the New York Security & Trust Company and the Guaranty Trust Company, as registrars, have insured, subject, of course, to abatement through fluctuation in the market value of the securities, and, in the last analysis, a contingent liability not

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* Old By-Laws of N. Y. Stock Exch., art. iv, superseded by present Const., art. xxxiii.

even limited by the stupendous sum represented by those securities. There is no trust company that we know of which could legally assume such an enormous liability on a single risk. As is well known, depositors and beneficiaries whose funds are entrusted to trust companies are jealously protected by statutory safeguards. Only approved investments are authorized, and the legal reserve must be faithfully maintained. To incur, therefore, in a single transaction such an insurance liability is obviously a clear violation of every principle of business and legal prudence which we have persistently aimed at—the largest security for the public, consistent with sound banking methods. By the law of New York there is only one class of corporations authorized to assume an insurance risk—namely, insurance companies.

Casualty insurance companies may guarantee "the performance of contracts other than insurance policies," and may guarantee "the validity and legality of bonds issued by" * * * "any private or public corporation." *

Moreover, along with the authority so conferred the insurance law imposes stringent limitations quite distinct from those to which trust companies are subjected. For the protection of the insured and the general public it is provided that no single risk shall be taken by an insurance company in an amount exceeding one-tenth of its capital stock and surplus, except where it is secured by collateral, which, of course, by so much lessens the actual risk." †

It would seem, therefore, that, reverting to our illustration and proceeding on our assumption of the theory of insurance and guarantee, the Hudson Trust Company, the New York Security & Trust Company, and the Guaranty Trust Company, in undertaking to act as transfer agent and registrars, respectively, of the United States Steel Corporation, violated the letter and the spirit of the insurance law, for the capital and surplus of the Hudson Trust Company (a corporation organized under the laws of New Jersey, where there is a similar statute limiting the amount of authorized insurance) is only $1,440,075.71; of the New York Security & Trust Company, only $12,239,945.70, and of the Guarantee Trust company, only $7,125,844.99, making in the aggregate $20,805,877.40, or about one forty-second of the amount of the par value of the securities of the Steel Corporation. If to the ordinary liability as agents proper, for negligence and misconduct, trust companies so acting have assumed the extraordinary liability of insurance or guaranty, the possible beneficiaries thereof are substantially the issuing corporations or the general investing public, as represented by the Stock Exchange. Now, it cannot be conceived that either the investigating public, the Stock Exchange, or the issuing corporations can be well protected, if at all, by the assumption by trust companies of this extraordinary liability of guaranty, which, in the case of every large issuing corporation, not only violates the insurance law, but, by subjecting the entire capital of the company to the hazard of a single risk, runs counter to all principles of ordinary business prudence as well.

The interest of the issuing company remains to be considered. It is, of course, liable, in any event, to those interested in its stock who may be injured by its own acts or those of its corporate transfer agent or registrar.

The trust company is appointed by, and receives its compensation from the issuing corporation. It would be appropriate, therefore, in a proper case, for the issuing corporation to insure itself in a responsible company in a manner provided by law, against claims to be made against it on the ground of the invalidity of the stock, bonds or other securities it assumes to issue. Whether we consider the proper functions of a trust company, which is not that of insurance, or the measure of the compensation received for acting as transfer agent or registrar, which bears no relation to the insurance risk, it results that an issuing corporation should seek such security not from the trust company, but from a company authorized and equipped to write insurance and properly paid therefor.

Having considered the possible results of an insurance obligation on the part of trust companies occupying such relations, and demonstrating, it is believed, the undesirability of such a status, the question that confronts us is whether the situation admits of remedy. An obvious but doubtful solution would be the separation of the responsibility, giving to trust companies ordi-

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* Gen. Laws N. Y. Ins., sec. 70. † Ibid., sec, 24.

nary liability for their own negligence or fraud, and to insurance companies the extraordinary hazard incident upon insurance. It is believed, however, that the trust companies have answered the purpose of registrars and transfer agents so well that there would be no disposition on the part of the issuing corporations to incur additional expense in procuring insurance from insurance companies. A solution based upon such a separation of functions would, therefore, probably prove impracticable.

When the ingenuity of business is unequal to the task of avoiding an oppressive liability imposed by law it is usual to find the solution where logically it belongs—in the change of the unsound law. If, then, this insurance liability attaches to the contract entered into between trust companies and the issuing corporations, for the benefit of the issuing corporations, trust companies are neither authorized by law to assume nor justified by business sagacity in incurring, and for which the trust company is not compensated, and, further, if this extraordinary liability of the trust company results in only illusory security to the issuing corporations and the public at large, it must surely follow that every interest involved should seek relief in changing the law, which is seemingly to the present advantage of nobody, and which is, therefore, unreasonable. It would seem that the necessary legislation could be readily obtained. Its sole purpose would be to clarify the legal relation of trust companies, when acting as transfer agents or registrars, a relation that at present is confessedly and dangerously obscure. Not a single interest could possibly be injured thereby. The liability of the issuing company to all interested in its stock would remain as at present, while the trust company, in the capacity of transfer agent or registrar, would be relieved from any liability save for the negligence or wilfully wrongful acts of its officers, either in connection with the stock, bonds or other certificates of indebtedness of the principal corporation, or in the selection or continued employment of incompetent clerks. Such a law would not impose upon the issuing corporation any other or different liabilities or obligations from those to which it would be subject should it act as its own transfer agent or have as its registrar individual employees, but would, however, permit them to be relieved, as now, from a vast amount of clerical detail. Moreover, they would be assured that the transfers of their stock would rest in the hands of those peculiarly competent from large and continuous experience to throw every safeguard around the transfers, and would be relieved from the onerous responsibility of constant and active supervision.

By section 156 of the Banking Laws of New York, trust companies are empowered to "act as the fiscal or transfer agent of any State, municipality, body politic or corporation; and in such capacity to receive and disburse money, to transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness, and to act as agent of any corporation, foreign or domestice for any lawful purpose."

I would propose as an amended statute, which I believe would achieve the desired result, a law of the following character:

"Section 156. Powers of Corporations—Upon the filing of any such certificate of authorization of a trust company the persons named therein and their successors shall thereupon and thereby become a corporation which, in addition to the powers conferred by the General and Stock Corporation Laws, shall have power.

"1. To transfer, register and countersign certificates of stock, bonds and other evidences of indebtedness of corporations, with liability to such corporations and to the owners or holders of such certificates of stock, stock, bonds or other evidences of indebtedness of corporations, with liability to such corporations and to the owners or holders of such certificates of stock, stock, bonds or other evidences of indebtedness solely for the negligence or willful misconduct of its officers in reference to such certificates of stock, stock, bonds or other evidences of indebtedness, or in the appointment or employment of its agents, clerks or employees dealing therewith.

"2. To act as the fiscal or transfer agent of any State, municipality or body politic."

There should, in my opinion, also be an additional provision making the limitation of liability apply to existing trust companies, whether incorporated under general laws or special acts.

There seems no reason why a like modification of corporate transfer liability may not be accomplished in other States in much the same manner.

I am well aware how much time and thought have been devoted to the subject here under discussion by you, who are far more competent than I to determine what is appropriate protection for the trust company in the light of business methods and requirements. I have accordingly submitted these views with hesitation, feeling, however, that should I succeed in suggesting to you any new thought in connection with the subject I would not utterly fail of the result which you sought in honoring me with an invitation to address you.

HENRY C. BREWSTER, of Rochester, N. Y.: Mr. Chairman, if it is in order, I would like to move that a copy of the paper we have just heard be sent to every trust company in the United States. It appears to me it is a very important paper. The subject is one which I think most of us are not well posted on, and I believe it would prove very valuable if it were placed in the hands of the officers of the trust companies throughout the United States.

The motion was seconded by several members and was agreed to.

MR. SHORROCK: Mr. Chairman, I would further suggest that the executive committee be instructed to take this matter under consideration, to see if anything can be provided along the lines recommended by Mr. Rollins.

The motion was seconded and agreed to.

J. D. POWERS, of Louisville, Kentucky: Mr. Chairman, I would like to make a suggestion, with the permission of the section, and I will undertake to present it without having the chairman intervene, if there is no objection.

Gentlemen, we know, some of us, what the arduous labors of the chairman of the executive committee have been, not only with reference to this particular meeting, but throughout the year. The executive board of this section has recommended that Mr. Clark Williams, who is chairman of the executive committee, shall be presented to the American Bankers' Association for membership on the executive council of the association. I move that we emphasize that suggestion, and that we endorse as a body the gentleman who has been our executive officer during the past year for the position as member of the executive council and I desire to make that motion and present it myself and ask you if you are in favor of it to please manifest it by a rising vote.

The motion of Mr. Powers was unanimously agreed to.

THE CHAIRMAN (CLARK WILLIAMS): Gentlemen, this is a surprise to me, but I assure you it is exceedingly gratifying. It has been a great pleasure to serve as the chairman of the executive committee of this section. It has been pleasant to be associated with the gentlemen who have been my colleagues in the work of the section during the year; but I cannot express to you how deeply I feel the recommendation which you see fit to make regarding my election to the position of member of the executive council of the American Bankers' Association. It is a great honor, gentlemen, and I thank you.

The question of trust company reserves at this time is of special interest to many sections of the country, and arguments on the subject must necessarily be of local coloring. It will be of great interest, however, to note the general condition of trust companies throughout the country in this respect. Mr. Edward T. Perine, General Manager of the Audit Company of New York, has kindly consented to make a statement of the general condition of trust companies of the United States as to cash reserve.

GENERAL CONDITION OF TRUST COMPANIES.—ADDRESS OF EDWARD T. PERINE, GENERAL MANAGER AUDIT COMPANY OF NEW YORK.

The figures I have the honor of presenting to your notice are based upon a tabulation of statements of condition received from 983 trust companies under date of June 30th, this year. This tabulation shows reserves of cash on hand and in bank amounting to $662,000,000, against combined deposits and balances due banks and bankers amounting to $2,257,000,000. This amount of cash on hand and in bank is equal to 27½ per cent. of the deposits.

Five cities reported deposits aggregating $1,455,000,000 which is practically two-thirds of the country's two and a quarter billions of trust company's deposits. These cities, in the order of the volume of deposits in each, were:

	Companies.	Deposits.
New York	46	$876,000,000
Which includes the Borough of Brooklyn	9	78,000,000
Chicago	18	217,000,000
Philadelphia	42	168,000,000
Boston	18	118,000,000
Pittsburg	35	76,000,000

In these cities the percentages of "on hand," "in bank" and of aggregate "on hand and in bank," hereinafter referred to as "total reserve," were found to be:

	Per Ct. on hand.	Per Ct. in bank.	Total reserve.
Borough of Manhattan	3.2	25.2	28.4
Borough of Brooklyn	8.8	15.5	24.3
Average for Greater New York	3.7	24.3	28.0
Chicago	14.2	25.3	39.5
Philadelphia	3.9	18.5	22.4

In Boston, where under a recent clearing house regulation, reserves are required of five per cent. on hand and 10 per cent. in bank, the holdings on June 30 were approximately five per cent. on hand, and twenty-two per cent. in bank, a total reserve of twenty-seven per cent. Pittsburg had 3.4 per cent. on hand and 22.1 per cent. in bank, a total reserve of 25.5 per cent.

In reports received from other leading cities, cash on hand and in bank were not stated separately by certain of the companies, but the total reserve in ten other cities was as follows:

	Per cent.
Newark	14.7
Cincinnati	14.8
Providence	16.1
Cleveland	18.1
Jersey City	25.3
Washington	28.1
San Francisco	34.2
St. Louis	34.5
New Orleans	36.3
Baltimore	36.8

The equivalent in dollars of certain of these percentages, particularly in the largest cities, comprise some rather imposing aggregates. Forty-six companies in New York city had $245,000,000 of total reserve; eighteen companies in Chicago had $86,000,000; forty-two companies in Philadelphia had $37,000,000; eighteen companies in Boston had $32,000,000.

In classifying the stronger companies throughout the country according to the amounts of holdings of total reserve in each company, it appears that:

	Total Reserve.		
147 companies held from	$ 100,000	to	$ 200,000
81 companies held from	200,000	to	300,000
59 companies held from	300,000	to	500,000
63 companies held from	500,000	to	1,000,000
21 companies held from	1,000,000	to	1,500,000
19 companies held from	1,500,000	to	2,000,000
16 companies held from	2,000,000	to	3,000,000
14 companies held from	3,000,000	to	4,000,000
15 companies held from	4,000,000	to	6,000,000
9 companies held from	6,000,000	to	8,000,000
3 companies held from	8,000,000	to	10,000,000
5 companies held from	10,000,000	to	15,000,000
2 companies held from	15,000,000	to	20,000,000

Three companies had $22,000,000, $28,000,000 and $33,000,000, respectively.

Next referring to a tabulation made as of June, a year ago, it appears that 912 companies had $435,000,000 of total reserve as compared with 983 companies this year having $622,000,000, an increase of $187,000,000. The increases in the principal cities, over the total reserves of a year ago, are:

New York	$113,000,000
Chicago	30,000,000
Philadelphia	11,000,000
Boston	6,000,000
Pittsburg	4,000,000
Cleveland	4,000,000
Providence	4,000,000

In no important city has there been a falling off from the amount of total reserve carried a year ago.

The average of last year's total reserve for all the companies was twenty per cent. on $2,175,000,000 of deposits, or 7½ per cent. less than this year's 27½ per cent. on $2,255,000,000 of deposits. In compiling the statements received both last year and this, the prevailing proportions of cash on hand and cash in bank in the various cities have been used as a basis for separating combined balances of cash on hand and in bank, with the result of estimating fairly that in both years the average of cash on hand was fully five per cent.

In connection with this it would be interesting and fair to consider a calculation of the so-called double reserve. If, of say twenty-two per cent. of reserve deposited by the trust companies with the banks, one-fifth be taken into account as reserved by the banks themselves, it appears that the banks are holding in behalf of the trust companies upwards of four per cent. of cash, reserved indirectly on account of the indebtedness of the trust companies to their depositors. The holdings of cash by the trust companies to their de-their depositors. The holdings of cash by the trust companies and the holdings of their depositary banks may thus be calculated together at a figure which is upward of nine per cent. of total trust company deposits.

Without detaining you with any discussion of theories as to the relative reserve necessary for trust companies, as compared with commercial banks, I would, nevertheless, submit certain points of consideration. These are that 1,000 trust companies in the United States are carrying total deposits with other banks and trust companies amounting practically to $500,000,000 and accordingly in their measure of support to the commercial banks of the country are exceeded by no other class of depositor; that there should be consideration of the fact that, as a rule, there are restrictions governing trust company investments; that these investments and a comparatively large volume of demand loans and other quick assets make the holdings of the trust companies more readily convertible than is realized by those taking a radical position in regard to trust company reserves; that some exception from reserve should be granted on account of the large proportion of deposits held in trust or under other conditions of inactivity, it being a fact that many deposits held by trust companies are possible of withdrawal only at the will of the

trust companies themselves; that clearings among the trust companies are inconsiderable, as compared with bank clearings, it being a fact in New York city that trust company exchanges, in comparison with the exchanges of the banks, are in the ratio of one to twenty-five.

Without considering facts of this character in greater detail, it would seem fair to assert that these percentages of reserve, as averaged by cities and for the entire United States reflect credit upon the management of the various trust companies and correspondingly answer a question much discussed of late—whether the trust companies of the United States are maintaining among themselves a substantial measure of reserve on deposits—answering that question clearly and affirmatively.

REPORT OF SPECIAL COMMITTEE ON THE CLASSIFICATION OF LEGAL DECISIONS RELATING TO SAFE DEPOSIT COMPANIES.

To the Executive Committee, Trust Company Section, American Bankers' Association—Your committee appointed at a meeting held April 26, 1904, charged with the duty of preparing a report on the "Classification of Legal Decisions Relating to Safe Deposit Companies; Duty and Liability to Box Holders and a Compilation of the Rules and Forms of Typical Companies," begs leave to report as follows:

Knowing it to be the purpose of the Executive Committee to render a practical service to the Section, it has been our endeavor, in the preparation of the following report, to give to the trust companies having safe deposit departments not only the advantages of the experience of others engaged in this business, but the benefit of the most thorough research, covering the enacted laws and legal decisions bearing on the subject of the report.

Your committee desires to express to Messrs. Rounds, Hatch, Dillingham and Debevoise, of New York, its appreciation of and thanks for their services generously rendered the section in the able and comprehensive discussion of the legal side of the question.

At the request of your committee, rules, forms and other data have been received from trust companies in different parts of the country doing a safe deposit business. Many of these were naturally duplications of method of operation, and it seemed wise to your committee to render a composite view of the systems in use, enabling the members of the section to choose such rules and forms as would seem to improve their present systems, and enabling them to eliminate such features as might seem unnecessary or impractical because of local conditions.

In the execution of the work your committee has found that new laws and legal decisions are constantly appearing, affecting to a greater or less degree the trust companies conducting the safe deposit business throughout the country. We have also found that constant improvements and changes in method of operation and of advertising are being introduced, which justifies the recommendation to the executive committee that the question should be submitted to the section of the appointment of a standing committee whose duty it shall be to render an annual report continuing the line of work undertaken by this committee.

We take this opportunity to express our thanks to the many officers of trust and safe deposit companies who have generously aided us in our work.

Respectfully submitted.
A. J. ENRIGHT.
S. F. HASEROT,
E. SHORROCK,
CLARK WILLIAMS.

THE LEGAL RIGHTS AND DUTIES OF SAFE DEPOSIT COMPANIES.

To Members Trust Company Section American Bankers' Association—One of the features, in fact, the most impressive feature, of an investigation of the law relating to the business of receiving and safeguarding valuable property, is the scarcity of both statutes and legal decisions directly on the subject. The fact which is first suggested as an explanation of this lack of legal authority is that the development of the business itself is comparatively recent, but the true conclusion is that the nature of the relationship between box-

holder and company requires of the latter such great care and such thorough precautions against loss that the necessity for legislation has never existed, nor have the innumerable complications of which such relationship is capable ever had an opportunity of presenting themselves before the courts of the country.

We have thought it wiser not to consider here the incorporation of safe deposit companies, as local counsel must be consulted in every instance, and as also in many of the States there are special laws under which they may be organized, while in others the statutes relating to general business corporations are broad enough to cover them, or trust companies and Savings banks are permitted to use their vaults for a safe deposit business.

The object of this article then will be to touch on such law as has been actually settled by legislation or judicial decision, and to consider more fully the legal questions which are daily presenting themselves to the officers of safe deposit companies, and for which practical solutions have been found.

The law relating to bailments for hire is the backbone of the legal relationship between the box-holder, or bailor, and the company, or bailee, and this law has, in its general principles, been well settled. It is the questions which arise from the peculiar nature of this particular class of bailments for hire that have not been passed upon by the courts. We will consider these questions under the following titles, and mention several points covered by statute in the proper places:

1. Duty of company to box-holders.
2. Liability of company to box-holders.
3. Rights of strangers to the company who claim property deposited with the company by box-holders.
4. Rights of the legal representatives of deceased box-holders.
5. Inheritance taxes.
6. Lien of company for its compensation on contents of boxes.
7. Unclaimed boxes and contents.

1. DUTY OF COMPANY TO BOX-HOLDERS.

The company does not, on renting one of its boxes, become an insurer of the property placed in it by the box-holder. The very nature of the property which it has agreed to safeguard requires, however, that every possible precaution for its safety shall be taken. For instance, the same legal situation arises when a traveler leaves his grip in the package office of a railroad station, or when one sends his furniture to a storage warehouse, as when a million dollars of bonds are placed in a safe deposit box. But the company or individual which controls the package office takes no precaution against fire, nor is each parcel of property deposited necessarily placed by itself. It may be tagged and thrown in a corner, or occasionally it is placed in an open compartment to be left with much similar property in other compartments until called for. It is, of course, necessary to adopt some safeguards against its loss through theft, burglary or confusion, but the supposed small value of the property left in such keeping makes it unnecessary to take the same physical precautions as in the case of deposits in a warehouse, where, in turn, the nature of the property does not require the same care as a safe deposit company must use. And yet, the rule of law which determines whether there has been negligence in guarding the property deposited—the subject of the bailment—is the same in each case: Has there been ordinary care used? Has the depositary or bailee used the precautions which an ordinary intelligent man would use in the care of property of the same character belonging to him? As the best possible advertisement for any safe deposit company is its plant and its precautionary methods, it perhaps serves no useful purpose to do more here than add that the protection of the contents of the vaults of a safe deposit company cannot be too complete. Just what it is legally bound to do has not been judicially decided, but we consider that any decision on this point will undoubtedly be extreme in its requirements of the company.

Practical measures have been adopted in most, but not by any means all, companies that insure against the access to a box of anyone except a box-holder. It is plainly one of the first duties of the company not to allow admission to any stranger. It is for this reason that the company's knowledge of distinctive physical characteristics, of family names and other personal facts

is so invaluable. A cross mark on the books of a company, made by an illiterate man (a new depositor) is no protection against loss occasioned by the admission to his box of a thief who has stolen the key, and yet boxes have been given with no other means of identification than such a cross mark and the possibility of an officer, who remembers the face of the box-holder, being on hand when admission to his box is later demanded. An interesting legal situation would present itself if the opportunity of a thief who entered a box came through the contributory negligence of a box-holder in leaving his keys, with perhaps a tag attached showing the agreed countersign, the location of the box, etc., where they might easily be stolen. These questions will probably never arise in court, for no company could afford to advertise the fact that such a mistake as the entry of a stranger had occurred, and most companies take great precautions against such contingencies.

It might also be well to mention under this head the necessity, if dealing with a corporation box-holder, of having documentary proof of some formal character, such as a certified copy of a resolution, showing the right of the accredited officer of such box-holder to have access to the box. So, too, when a box is let to a firm there should be some writing on the files of the company showing to which member access is to be granted. And if a box-holder gives his deputy the right to enter his box, the power of attorney under which such deputy acts should not be limited, but in its terms should be absolute, as it is too much to ask that the company watch such deputy and see that he does not take from the box anything not called for by the power.

2. LIABILITY OF COMPANY TO BOX-HOLDERS.

Unavoidable accident and irresistible force have been said to relieve a company from liability for the loss of property left in its care. Fire is given as an example of the first, but the fire must not result from the negligence of the company or its employees. War and riot are instances of irresistible force. Such questions, however, cannot arise often and must be dealt with separately. But what is a company to do when a depositor rushes from the vaults to the office, vowing that he placed ten bonds or ten dollars—it matters not what—in his box last week, and has returned today to find it empty. The first statement of the company is: "We do not know what is or has been in your box, but we do know that no one has opened it except you." From of this assertion by the testimony of all of the company's employes, who have access to the vault in which the box is kept, raises an issue as to whether the lost property, if ever in the box, was actually taken out of it by anyone except the box-holder, and this the jury must decide. Now, granting that the jury find against the company on this point—that is, find that the property in question was actually placed in the box by the box-holder and never after taken away by him, the very important question arises: Must the box-holder besides proving loss prove that negligence on the part of the company occasioned such loss, or must the company, when the loss has once been proved, take the burden of showing that it is free from negligence and even be compelled to go so far as to explain the loss. Satisfactory decisions on these precise points are not to be found, and except in a few States the situation has evidently not been presented in court. But the analogies of the law seem to establish that the burden of proof is first on the box-holder (the plaintiff) to prove his loss, then it shifts to the company (the defendant) which, on showing itself free from negligence, must be relieved of liability, unless such evidence is met by positive proof on the box-holder's part of negligence. In other words, we think the box-holder should not have to prove negligence and the company should not have to explain the loss, though, of course, it may be able to do so, and even in such a way as to escape responsibility, as in case of fire, riot, etc. However the law may develop, the importance of taking every practical means of protecting a company from such claims is very clear, and yet, how often we find attendants taking out and replacing boxes, handling both keys, the box-holder at times being not even within sight. This extreme courtesy on the part of the attendants, or laziness on the part of the customers, should not be encouraged. As one precaution some companies have been in the habit, which seems an excellent one, of keeping a list of visits of box-holders and their deputies to their boxes. This is impracticable in some cases—for instance, in New York City during a Wall street panic, when hundreds of visits

to boxes are made each day—but surely the boxes can be so guarded that the testimony of the company's attendants and officers will be invaluable in case of loss.

3. RIGHTS OF STRANGERS TO THE COMPANY WHO CLAIM PROPERTY DEPOSITED WITH THE COMPANY BY BOX-HOLDERS.

This question may arise either in the lifetime or after the death of a box-holder. It frequently happens that demand for access to a box is made by a sheriff, under a writ of replevin or attachment or in garnishee proceedings, by receivers or assignees for the benefit of creditors, and other officers appointed by courts throughout the country to take possession of property for the purpose of administration or to hold it pending decision in regard thereto. At times also the police authorities break into a box under the protection of a search warrant. In no case should an officer of the court, more than any other claimant, be permitted to take property which the company knows does not belong to the person against whom a writ of attachment or other legal process has been issued, and in the case of a search warrant, no property except that called for by the warrant must be allowed to leave the box. While it is quite true that where a box is held by only one person, the company generally does not know to whom its contents do belong, and that this lack of knowledge or want of notice would be a complete protection if the process under which the contents of a box were taken was valid, an entirely different situation arises where a box is held by two or more people. As an example, let us suppose that A and B hold a box jointly and that an attachment against B is served on the company. The company owes a duty to A to keep and protect the property left by him in the box, and we consider that this duty exists independently of the duty to B. A sheriff, therefore, acting under a writ against B has no rights as against A, and it would seem, therefore, dangerous to allow him access to the box held by A and B jointly, unless, under peculiar circumstances, it became in some way possible to keep him from taking property which belonged to A. Such facts, as far as we know, have never been presented in court, but we suggest the following practical solution: Notify A at once and make, under the advice of counsel, an arrangement between the parties to have the box opened in the presence of all concerned, including the sheriff. A can then identify his property, and if the sheriff still insists on taking it as the property of B, he, of course, becomes a trespasser as against A. If A voluntarily joins in opening the box for the purpose in question, we do not see how he can later call on the safe deposit company to keep the sheriff from taking the property away. A sheriff does not levy, as a rule, on property which is claimed by others unless he is amply protected by bond or other security, and we believe, under the circumstances outlined above, A would often be allowed to take such property as he claimed. Collusion between A and B would in this way make it possible to embarrass the litigant who has put the process in the sheriff's hands, by having A remove all of the property for the benefit of both, but this does not affect the company, and the possibility of A, an innocent party, suffering by having his property taken under an attachment against B, is much more serious. No general rule can be given for such a case, and counsel must be consulted in each instance. This is also true when a search warrant is served, and it must always be borne in mind that if any process is invalid the officer acting under it is a trespasser, and while the company may have its claim against him, the box-holder may, on the other hand, have a good claim against the company for the loss of his property.

Another troublesome situation arises on the demand on the company of A, a stranger, that B, a box-holder, be not allowed to take property from his (B's) box, because of the fact that it belongs to A. This demand may be followed by an injunction restraining the company from allowing B to have access to the box, but when it is not so followed, the company may find itself in the position of holding or controlling through the master key, or through the fact that it can shut its doors outside or inside, property which is claimed by two people. If the claim of the stranger seems to be made in good faith, it is wise not to let either claimant take the property in dispute, but to take legal action—by filing a bill of interpleader for example—as will bring both claimants before the court, where they may be left to fight the question out

by themselves. The company must be careful to maintain always a neutral position, that is, to be a "mere stakeholder," and must act quickly, not allowing claims against it to arise through the fact that it withholds the property from the true owner whether he be bailor or stranger.

4. RIGHTS OF THE LEGAL REPRESENTATIVES OF DECEASED BOX-HOLDERS.

An executor or administrator of a deceased box-holder, after duly qualifying as such, has a right—it is, in fact, a duty—to take possession forthwith of the contents of the box. (See in this connection Article 5 post.)

When the will of a box-holder is in the box, it is generally necessary to procure authority from the Probate Court to gain admission to the box simply for the purpose of obtaining the will for filing. We think it unnecessary to go into the questions suggested by the above remarks, as the course of legal procedure is quite different in the various States, and such questions as arise should be promptly submitted to local counsel. We wish, however, to mention one or two situations which often confront a company's officers.

It is not an unusual thing for one member of a family to act as general custodian of valuables for the others, and for this and other reasons it happens that box-holders often keep in their boxes property which does not actually belong to them. In the case of the death of such a box-holder, particularly when, by his will, he has appointed executors who are not favorably regarded by those for whom he has been acting as custodian, the safe deposit company is surprised at the demands made upon it by the various seemingly adverse interests. As in cases considered above under Title 3, the company must not allow the property involved to go to any except the owner. If a fight must come, let the company take the initiative and bring the rival claimants into court at once, stepping aside to allow them full opportunity for their dispute.

There was an interesting case some years ago in New York State, where the facts were substantially as follows: A and B were co-tenants of a box. They both died, and the executors of one and the administrators of the other each claimed the contents of the box. The company started a suit of interpleader, and on the evidence produced at the trial the property was awarded to the estate of one.

In case of the death of one co-tenant, the situation is not quite so complicated, but the same principles are almost invariably involved when the contents of a box are owned by more than one person, whether he is acting for himself or in a representative capacity.

5. INHERITANCE TAXES.

In New York State it is provided by statute that no safe deposit company shall allow the property of a deceased box-holder to be taken away by an executor, administrator or trustee, unless notice of the time and place of the intended delivery thereof be served upon the State Comptroller at least ten days prior thereto, and in the case of a non-resident decedent it is necessary for the safe deposit company to retain a portion or amount of such property sufficient to pay the tax which may be assessed on the transfer thereof, unless the State Comptroller consents to the delivery of all of it. Failure to comply with these provisions makes the safe deposit company liable under the statute to the payment of three times the amount of the tax and penalty due, or thereafter to become due, on the property so delivered. This statute is considered by some of the companies to be unconstitutional, and it is said that their officers do not pretend to comply with it. Similar legislation has been enacted elsewhere than in New York, but such statutes are not general.

6. LIEN OF COMPANY FOR ITS COMPENSATION ON CONTENTS OF BOXES.

We have been able to find very little authority on the question covered by this title. In New York State there is no such lien, and property contained in a box must be delivered to the owner, no matter how far in default of payment of rental he may be. Where there is no lien, it is not safe to refuse to deliver until the charges have been satisfied, for large damages might

result from keeping property back when it is urgently needed. The urgency, however, is usually worth the amount of the arrears, but one must be prepared in such a case for demands based on an urgency which never really exists until it is pictured to a jury. In one or two States the courts have allowed the lien, but we consider this another matter for local counsel, and we only wish to say that we believe the safe deposit companies will ultimately be permitted by statute to collect from the contents of a box the amount due for its rental.

7. UNCLAIMED BOXES AND CONTENTS.

In New York and Massachusetts statutes have been enacted, providing that after the lapse of a specified period of time without payment for the use of a box, it may be opened and its contents, with certain formalities, placed in the general vaults of the company to await claimants. In Michigan and Wisconsin statutes provide for a sale of the contents of unclaimed boxes.

In leaving a subject of such broad interest, we feel that the few suggestions given above cannot be thoroughly satisfactory to a practical safe deposit man, but the law itself at present is not sufficiently developed for more positive statements. The growth of the business should ultimately bring with it decisions and statutes which will clear up many of the matters yet unsettled, and a careful watch should, for this reason, be kept on both courts and Legislatures, for the final solution of some of the points now in doubt may affect materially the methods of conducting a safe deposit company's business.

THOMAS M. DEBEVOISE,
Of Rounds, Hatch, Dillingham & Debevoise,
62 Cedar Street, New York.

Dated, New York, September, 1904.

IDENTIFICATION.

The identification of a person desiring to rent a box in a safe deposit vault should be as thorough as circumstances will permit; should a person decline to give a reference their custom should be refused. Reasonable and desirable persons will always furnish references when asked, as they will understand that what applies to them will apply to others and act as a safeguard in excluding undesirable persons from the vicinity where their valuables are stored; again, a person may be thoroughly honest, and to all appearances a desirable customer, yet he or she may for reasons entirely personal attempt to rent a box under an assumed name. In the event of anything happening to the renter in such a case the company might be put to a considerable amount of trouble and expense in establishing his or her identity should heirs appear under the rightful name of the renter.

It is also well to secure certain fixed data in regard to a renter, such as when born, your father's name and mother's maiden name, as this will be a help in establishing more surely the identity in case of claims by heirs after death.

Some companies in addition to the above require that a record be kept of the physical appearance of the renter, such as height, color of eyes and hair, weight and general appearance; this, however, is not an essential, as it is to be presumed that the renter will remain a customer for a number of years, during which time physical conditions may change, in which event instead of being an aid, the record would merely tend to confuse. The conditions mentioned first are fixed and cannot change, and are, therefore, as reliable twenty years hence as to-day.

IDENTIFICATION AFTER RENTAL.

While it is well for the renter to have a pass-word, it should never be relied upon by vault attendants as a sure means of identification—pass-words may be repeated. When in doubt as to the identity of a renter—always compare his signature with that on the original entry card. Pass-words should be as simple as possible; those who choose elaborate ones invariably forget them. In most cases, however, there should be no need to use either signa-

ture or pass-word, vault attendants should become familiar enough with the renter's face to enable them to dispense with both, and all red tape consistent with safety should be abolished.

RENTAL RATES OF SAFE DEPOSIT BOXES.

The charge per annum for the rental of safe deposit boxes will vary with local conditions; in small towns the charge is sometimes as low as one dollar. The usual yearly charge in well established companies, in cities, is five dollars safe is rented, but in case of the inability of one of them to be there Form 9 and upward. The five-dollar boxes are about 21 in. x 1¼ in. x 4½ in. (inside dimensions). But as stated before, the price will depend largely on local conditions, such as ground rent; competition, etc.

(See forms 4, 5 and 6 for Receipt and Billheads.)

In large companies, when the bookkeeping is in separate department, Form No. 7 is used in keeping the clerks advised of new safe rentals and Form No. 8 when renter changes from one safe to another.

SAFES RENTED BY TWO PERSONS JOINTLY.

In case of two persons renting a safe jointly, they become what is called "joint tenants," and enjoy equal rights and privileges—either has the right to surrender the safe. If possible both tenants should be present when the safe is rented, but in case of the inability of one of them to be there Form No. 9 may be used. In case of surrender of rights in a safe by one of the joint tenants use Form No. 10, while in the case of a single tenant, or when both tenants surrender at the same time, Form No. 11.

OTHER FORMS IN LARGE COMPANIES WHERE BOOKKEEPING IS DONE IN SEPARATE DEPARTMENT.

Forms Nos. 12 to 16 will take care of all cases not previously mentioned, and they are simple enough to be self-explanatory.

OTHER RECORDS, BOOKS.

First in order is what is called the "Rental, Renewal and Surrender Book" (Form No. 17), which is practically a condensed history of each safe as rented, and will show at glance the number of rentals, renewals or surrenders which have occurred during any month, also the total value of business done for any given period, and will be found very useful in comparing the growth of the company from time to time. Entries should be made in this book immediately after those are made on the original entry card, after which comes the Safe Expiration Book (Form No. 18), which is indexed by years and months. If a safe is rented for six months from, say, September 15, 1904, turn to the month of March, 1905, and make your entries accordingly; this record makes it a very simple matter to keep track of when safe rentals expire and when bills are due for their renewal. As soon as a renewal bill is sent to a customer the entries should be carried ahead for the number of months which the safe has been rented for previously, otherwise it will be a very easy matter to lose track of what rentals have expired. Should the customer decide not to renew, the entry can be cancelled.

Regarding rentals, some companies before their expiration send out a rent-renewal notice, but as a general rule this is not done, the renewal bill (Form No. 5) being considered sufficient.

SAFE REGISTER.

The Safe Register completes the list of books necessary in the safe deposit business, excepting, of course, those connected with the ordinary bookkeeping, but which it is not the purpose of this report to take up. This book, as will be seen from Form No. 19, is very simple, and needs little explanation. To the uninitiated it might seem as though the three books we have shown had a tendency to repeat certain entries unnecessarily; this, however, is done with a purpose, as it lessens the chance of mistakes in records, and in case of one record being destroyed there will be found enough

data in the others to supply the deficiency. Some companies use forms such as Nos. 17, 18 and 19, but instead of books, have a card system; there is much greater chance in that case, however, of records being lost, and therefore the book system is preferable, except in the case of the original entry cards, where convenience in handling is desired.

DEPUTYSHIP.

A deputy has access to a safe only at the pleasure of the renter, who may revoke this privilege at any time. The powers of a deputy cease on the death of the renter if not revoked before. If the renter and deputy can appear together before an officer of the company, use Form No. 2A or No. 3A, according as to whether the renter is an individual, joint tenancy, firm or corporation. In case of inability of renter and deputy to appear in person, use Form No. 20, which must always be properly acknowledged before a notary or such other public officer as the laws of the State wherein it is to operate may require. In revoking a deputyship, when unable to appear before an officer of the company, use Form No. 21.

WHEN RENTED BY A CORPORATION.

Forms Nos. 22 and 23 should be used in addition to those already mentioned as an official list of the officers of the corporation at date of rental together with resolution of board of directors giving right of access should be kept on file.

LEGAL REQUIREMENTS.

In case of death, care should be taken to safeguard the interests of the company as well as of the heirs of the deceased. As the legal requirements will vary in different States, both in this case and in others, such as bankruptcy, etc., we will not attempt in this report to take up this part of the subject in detail, but will merely caution the officers of a company to keep themselves well posted in regard to the laws pertaining thereto, and refer to counsel.

RETURN OF LOST KEYS.

To facilitate the return of lost keys use a metal key-tag (Form No. 20). As each person who takes one will be expected to assume responsibility for payment of the reward, their use naturally must be kept optional with the renter, because if keys are lost and not returned, he is already liable for cost of changing lock (See Rules, Form 2A.)

THE STORAGE DEPARTMENT.

All trunks, packages, etc., if called for by the company, should be sealed by its representative with the company's seal in presence of the owner or of his representative; or, if delivered at company's office, as soon as received. Discourage the owner from placing his own seal on a package, and even if he do so, still use the company seal; the reason for this is obvious, as no matter how much care is exercised, seals may be broken in transit; the company's seal can be replaced while the owner's cannot, and if broken, almost sure to cause trouble, even if the contents are intact. As a general rule, it is better to place two seals on all articles. When the article is received, give the owner a storage receipt (Form No. 26), the lower end of which, when properly endorsed, acts as the company's release after delivery of articles. As probably 10 per cent. of the customers lose their storage receipts, it is well to have another kind on hand to cover these cases.

ORIGINAL ENTRY CARD (STORAGE.)

As in the case of the safe deposit, an original entry card is used in preference to a book for convenience in handling (Form No. 28). There is no occasion, however, for elaborate precautions in regard to identification as in the rental of a safe, as the company assumes a responsibility which is fixed and definite, the exercise of a little judgment is all that is necessary to exclude undesirable persons.

As will be seen by referring to the original entry card (Form No. 28), it covers the whole history of each case, and together with the stub of the storage receipt (Form No. 26) constitute the only records held, but they have always been found sufficient.

Form No. 29 shows a simple and convenient storage billhead.

SUGGESTIONS FOR RULES AND REGULATIONS OF THE SECTION SAFE DEPOSIT COMPANY.

The vaults will be open from 9 a. m. to 4:30 p. m. of each business day, excepting Saturday, when the hour of closing will be 1 p. m.

The use of a safe is in every instance granted by the company, and accepted by the person using the same, upon the express understanding and agreement that the company may terminate such use and require the vacation and surrender of the safe and the keys or combination thereof at any time upon the repayment, or tender of repayment, of the pro rata proportion for the unexpired time of the amount agreed to be paid for the use of the safe. This company is not responsible for contents of safe unless by special contract. The contents of a safe must not be examined in the vault, but in the rooms provided for that purpose.

The secretary or manager must be immediately notified of change of address.

Deputies may be appointed only in person or by power of attorney properly acknowledged.

Safes must not be left unlocked at any time.

Should a key be lost, the company must be notified without delay, and the remaining key returned to the company, that the lock may be changed, the expense of which will be borne by the renter.

Payments for the use of safes, or for storage, are due and payable in advance.

The company exercises the right to consider that the safe is not surrendered until the keys are returned, or the company is notified in writing.

When a safe is rented to joint tenants, either person has the right to surrender the safe.

Boxes in the Security Vault will be rented for $—— and upward per annum.

Trunks, boxes, packages of silver or other valuables will be stored at —— cents and upward per month, according to size and value.

Articles for storage will be called for if desired.

HINTS, SOME OF WHICH MAY BE FOUND USEFUL TO EMBODY IN THE RULES AND REGULATIONS.

Never retain a key to a safe deposit box after rental.

Do not allow more than two persons in addition to attendants in the vault at the same time.

Vault when open should never be left without an attendant.

Vault should be opened and closed in presence of two persons, and where time-locks are used the hour should be confined by one other besides the person who attends the winding.

Safe deposit boxes should always be replaced in the presence of the renter. Renters should not examine their boxes or papers in the vault, but in the rooms provided for that purpose.

In keeping records, different colored forms will be found helpful.

DISCUSSION.

THE CHAIRMAN: In determining the character of this programme your executive committee deemed it wise to provide for the discussion of a number of subjects of practical interest, and we now come to that part of our programme. We take this opportunity to thank those who have specially prepared themselves to discuss these questions.

We trust the members will speak as briefly and as much to the point as possible, in order that we may complete our programme within the time allotted.

It is particularly requested that those addressing the meeting should state their names, title, and the institutions they represent, in order that our report of the proceedings may be accurate and complete.

Mr. Edward W. Harris, of the firm of Pryor and Harris, attorneys, New York, has kindly consented to say a few words on the subject of the liability incurred by trust companies by reason of representations in offering securities to the public.

The Liability Incurred by Trust Companies by Reason of Representations in the Offering of Securities to the Public.—By Edward W. Harris, of Pryor & Harris, Attorneys, New York.

It may be observed at the outset that the false representations referred to in the title of this paper may have been made by prospectuses, corporate reports or personal statements.

In legal aspect there is little difference between misstatements as affecting sales of securities and misstatemnts as affcting subscriptions therefor. Just what does amount to a fraudulent misrepresentation, which will give rise to an action for deceit to the purchaser, is difficult to state, each case standing upon its own facts.

In a leading English case Lord Herschell in a very learned opinion thus states the rules which should govern cases of this character:

> "First, in order to sustain an action of deceit there must be proof of fraud, and nothing short of that will suffice. Secondly, fraud is proved when it is shown that a false representation has been made (1) knowingly, or (2) without belief in its truth, or (3) recklessly, careless whether it be true or false. . . .
>
> "The test which I propose employing is to inquire whether the defendants knowingly made a false statement in this respect (material facts in the prospectus), or whether, on the contrary, they honestly believed what they stated to be a true and fair representation of the facts."

When fraudulent representations are made it does not matter if they are not directed to the person who may have been injured by relying on them. If a prospectus, issued for the purpose of obtaining subscriptions or the sales of securities, comes into the hands of a stranger, and, relying upon it, he invests in the securities advertised, and is injured thereby, he has an action at law for damages against the wrongdoer.

The doctrine of the liability of corporate directors for fraudulent representations as to the conditions of the company, not made to a purchaser of stock personally, but to the public generally, was thus stated in Cross vs. Sackett, 2 Bosworth, 617:

> "But when an instrument is made to deceive the public generally, and is adapted, as well as intended, to deceive some portion of the public, and as well one person as another, and is used as it was designed it should be, and fraudulently induces some one to act to his prejudice, by acting in the mode it was intended to influence them to act who might be deceived by it, the person who made the instrument and caused it to be thus fraudulently used is liable to the person who has been defrauded by it. In such a case the person injured has been subjected to damage by his fraudulent acts, and the fraudulent wrongdoer is liable for the consequences."

In Morgan vs. Skiddy, 62 N. Y., 319, the Court of Appeals said:

> "If the plaintiff purchased the stock, relying upon the truth of the prospectus, he has a right of action for deceit against the persons who, with knowledge of the fraud and with intend to deceive, put it in circulation. The representation was made to each person comprehended within the class of persons who were designed to be influenced by the prospectus, and when a prospectus of this character has been issued, no other relation or privity between the parties need be shown, except that created by the wrongful and fraudulent act of the defendants in issuing or circulating the prospectus and the resulting injury to the plaintiff."

On the question of fraudulent intent the same court has held that where the failure to disclose a claim against a company in a statement purporting to contain its entire assets and liabilities was attributable to an honest belief upon reasonable grounds, the fraudulent intent was lacking and the charge of deceit failed.

It was formerly laid down that an action for deceit would not lie against the corporation itself, because the gist of the action is fraudulent intent, and a fraudulent intent is not imputable to an artificial body. The present doctrine, however, is otherwise, and in a recent case in this State against a trust company it was held that a corporation as well as an individual may be liable for false representations in a prospectus issued by it to sell stock of another company.

We now reach the interesting inquiry whether a director is liable for the fraudulent representations of his co-directors. The foundation of this action being fraudulent intent, it follows that an innocent director is not liable for the fraudulent representations of his co-directors. But a director who stands by and allows a co-director to make the false representations is equally chargeable.

The Court of Appeals in this State has declared that the mere fact of being a director or stockholder is not per se sufficient to hold a party liable for the frauds or misrepresentations of the active managers of the corporation. Some knowledge and participation in the act claimed to be fraudulent must be brought home to the person sought to be charged.

In its relation to commercial enterprises there are three principal dangers to be avoided by a trust company:

(a) Connection with the prospectus.

(b) Responsibility to subscribers for satisfactory underwriting.

(c) Responsibility for statements concerning the value of the securities.

The necessity of refraining from any connection with or responsibility for the prospectus is so obvious as to need no further discussion. The decisions of the courts are to the effect that responsibility for the statements therein contained does not require an actual signing of the prospectus, but such facts and circumstances as would lead a reasonable man to believe that the responsibility for the statements contained therein was assumed by the trust company are sufficient to hold it to a legal liability thereon.

In the case of a corporation organized a few years since none of these dangers were sufficiently guarded against. The trustee of the mortgage securing an issue of bonds, having agreed to loan moneys upon notes secured by underwriting of the bonds, allowed his name to be placed upon the prospectus and assumed the obligation of declaring the underwriting to be effective when subscribed in a certain amount by underwriters satisfactory to the trust company.

In this particular case the corporation had parted with all its securities to the promoters on the promoters' agreement to cause certain properties to be transferred to it, and to erect factories and to furnish a certain amount of working capital in cash and returned securities of the company. The corporation, having divested itself of all its securities, was without recourse, except to the financial responsibility of the promoters, which, in this case, was insufficient to enable the corporation to continue in its proposed plan of operation. A large percentage of the underwriters failed to respond to the calls and those who completed their payments under the contract claimed damages against the trust company for false representations of fact, first, in the prospectus, and, second, in its acceptance of the underwriters, and, third, for concealment of the failure of the underwriters to respond to the several calls for payment, further claiming that the connection of the trust company with the promoters of the enterprise was so close as to make it the agent of the promoters and responsible for the failure of the financial plan.

In an underwriting agreement the sole attitude of a trust company should be that of a lender of money, and it is desirable in all cases that the trust company avoid the responsibility of declaring the underwriting effective as between the underwriters themselves, based upon the amounts subscribed and the responsibility of the underwriters. The only safe method for the lender of money is to regard its own protection and contract to loan the money when the subscriptions, in amount and responsibility, are satisfactory to it as the security for its loan only. Any further extension of obligation on the part of the trust company raises the question of fact as to the due diligence and effort on the part of the lender in respect of the examination into the authenticity of the signatures and the responsibility of the several sub-

scribers. While due diligence may have been used by the trust company in those particulars, nevertheless the company becomes open to an attack upon the question of fact, with the result that no certain opinion can be expressed as to the ultimate liability of the trust company, owing to the uncertainty of forecasting the verdict of juries on disputed questions of facts, and the impossibility of finding precedents on all fours with the case in hand.

Where disputes arise in a court of law upon questions of fact each case is necessarily decided upon the conditions arising in that particular case, and it is generally impossible to find decisions exactly covering the case in hand. The construction and interpretations by courts of the last resort of the contracts and instruments connected with the combination and congregations of industrial enterprises are at the present time comparatively few and are frequently widely differing in their processes of reasoning and their results announced, public sentiment and public policy of the various political sub-divisions affecting, to a considerable extent, the rules promulgated by the courts so far as they have gone. An examination of judicial decisions, however, covering a period of the last twenty years, exhibits a tendency on the part of the bench to hold to a stricter responsibility those connected with the formation of commercial enterprises, and, in recent cases, to pierce through the fiction of dummies and figure heads, and to place the responsibility upon those actually interested in enterprises, for the results of the acts done under their real supervision and control.

No more definite or safer rule, perhaps, can be stated than this; The trust company should remain a trust company, and should exercise the greatest caution in assuming relations involving responsibility for the value of securities.

MR. HART, of Wheeling, W. Va.: Mr. Chairman, I move that the paper last read be printed for distribution. I regard it as a paper of great merit and great value.

MR. WADE: Mr. Chairman, as I understand all these papers will be printed in the proceedings of the convention, and personally I question very much the wisdom of printing them and sending them broadcast to trust companies that are not members of this association. They can acquire their information as to the transactions of this association through the public press, and I do not believe that those who regard this association as useless and who do not become members of it should receive the benefits of the association at our expense. We all know that in times past the financial papers publish the addresses and papers that are read here and they can be purchased at from ten to twenty-five cents, and I do not believe we should go to the expense suggested, except for the benefit of our own members.

MR. HART: The criticism is obviously so well founded that I beg to withdraw my motion.

MR. SHORROCK: Mr. Chairman, I would like to ask the reader of the paper if he can state briefly what is the difference between the responsibility of a trust company whose name may appear on the prospectus and the responsibility of the directors. I presume there is a well-marked difference, but we are more concerned with the position of the trust company whose name may appear as the intermediary in the sale of stocks or bonds than we are in the position of the directors. Is a trust company, for instance, obliged to ascertain for itself whether the statements in the prospectus are correct?

MR. HARRIS: I assume the law is this: That where the trust company is so closely identified with the enterprise as to make itself responsible for these statements, then the company may be held liable for the statements therein contained. I might say, gentlemen, that suits are now pending involving that very question, growing out of the United States Ship Building Company, and it is perhaps improper to anticipate the decisions of the courts in those par-

ticular cases. But that is the exact point involved in these cases. The trust company appears in the prospectus, and the question is whether it thereby becomes responsible for the truth of the statements contained in the prospectus.

MR. McNAIR, of Buffalo: Mr. Chairman, it is quite usual in issuing prospectuses to put in something like the following: "The statements herein made are based on official reports, which we believe reliable, but for which we do not assume any responsibility."

If clauses of that kind were put in the prospectus I would like to ask the gentleman if the company making them would not be relieved of liability?

THE CHAIRMAN: Can you give us your legal opinion on that, Mr. Harris,

MR. HARRIS: I think it would be, sir.

THE CHAIRMAN: We will now proceed to the subject of trust company failures and causes. Mr. Jackson, Vice-President of the Girard Trust Company of Philadelphia, has made an investigation of this interesting subject, and we shall be glad to hear from him.

SOME REMARKS ON TRUST COMPANY FAILURES.—BY A. A. JACKSON, VICE-PRESIDENT, GIRARD TRUST COMPANY, PHILADELPHIA.

The fact that there is no central bureau for the filing of statistics relating to trust companies, such as exists for National banks that are under Federal control and subject to the duty of making periodical reports to the Government at Washington, renders it a matter of some difficulty to obtain reliable data as to trust companies throughout the United States. This is perhaps the more apparent in connection with any search for information relating to failures among these institutions, as while due diligence will collect a mass of figures relating to live corporations, those of companies that have suffered insolvency and passed from present activity are to be gained in many instances only from persons who were identified with them in their management of liquidation. It is only within comparatively recent years, as the assets of the class of corporations that we represent have assumed steadily increasing proportions of great magnitude, that the Legislatures of the various States now have banking departments have enacted laws providing for officials whose duty it should be to examine periodically the condition of trust companies to ascertain that they were being managed in accordance with the existing statutes. Even now some States have no such provisions, and although for the purposes of preparing some figures for your consideration I have approached the executives of all the States in the Union, this fact has somewhat handicapped me and rendered it necessary that for the purposes of making the data as complete as possible I should in some instances have recourse to unofficial figures for my calculations. Indeed, I think that I have trespassed somewhat upon the good nature of my correspondents in this matter, but their uniform courtesy has possessed me of details of a scope beyond which I could not well go without becoming a nuisance to those whom I have necessarily applied for information.

Trust companies, of course, had their birth in the older States, and New York and Pennsylvania practically monopolized the creation of trust companies until after the Civil War.

It may be proper before giving general figures to consider what failures have occurred in these two States, which have over sixty per cent. of the aggregate resources of the trust companies of the country, New York with \$1,200,000,000, and Pennsylvania with \$1,069,000,000.

The Banking Department of the State of New York was established in the year 1851, and in 1874 trust companies were placed generally under the supervision of the Superintendent of Banks. Mr. Kilburn, the present incumbent of this office, has very kindly provided me with figures showing that from the date of this supervision in 1874 to December 31, 1903, seventy-five trust companies have been incorporated, of which only two have failed. One in 1877 as a result of fraudulent management, and one in 1891 because of imprudent conduct by its officers. In each case the capital involved was

one million dollars. The figures with which I am provided do not include those of companies that may have been temporarily in trouble nor the unfortunate necessary reorganization under a new name of a company in the city whose short life was apparently devoted by its officers to the one end of the flotation of securities in a manner that betrayed a lamentable lack of conservatism.

It would seem, therefore, that in the last fifteen years no company in the State of New York has actually failed to the extent of not being able to resume business, and although the company to whose failure I have referred as occurring in 1877 was a debtor to the total of seven per cent. of the aggregate assets of trust companies within the State of New York, we must remember that at that time, so closely following the depression of the panic of 1873, New York was possessed of very few trust companies, and a failure of the size of the corporation which then became insolvent would naturally show a large percentage of the total assets then employed within the State. On the other hand, by the year 1891, when the second failure took place, the total assets of trust companies in the State had increased five and one-half times over the figure at which they were in 1877, and although the total liabilities of the insolvent company of the latter year were $3,946,000, they form only one-fourth of one per cent. of the total assets of trust companies in the State. Since that time, too, that is in the last fifteen years, the aggregate assets of trust companies have increased above four and one-quarter times over the large totals of that day.

In Pennsylvania the Bank Department of the State was by law given supervision over trust companies in 1892. The records of this department show that the laudatory phrases contained in the first report of the Superintendent of Banking upon the excellent condition in which he found the companies of the State were deserved.

In 1892 a small concern that bore the word "trust" in its title, but was in reality transacting none of the business for which a trust company is properly organized, failed for a comparatively small sum. In 1895 another company with total liabilities of $105,000 made an assignment, the failure being 2-1000 of one per cent. of the total assets in the banking and trust department of the Pennsylvania companies in that year. In 1896 a company that dealt almost exclusively in western mortgages assigned with total liabilities of $1,420,000, or about 2-10 of one per cent. of the aggregate assets of the companies of the State.

In 1897 a Receiver was appointed for another trust company, which transacted materially the same kind of business and found that its investments had so suffered by the bad years for farm lands in the West as to make it impossible for it to continue business. The failure of this company was also to an extent of only 2-10 of one per cent. of the aggregate resources of the companies in the State.

In 1898 a trust company, which was closely affiliated with a National bank for which a Receiver had just been appointed, and to the President of which bank it had imprudently loaned money, found it necessary to make an assignment. This failure was a startling evidence of the evils of using one borrower as an outlet for money, and of the domination of one man or set of men in the directorate, while the other members of the board were content to let the company be managed without devoting to its affairs the scrutiny that they should be bound to give. It is, however, a gratification to know that although this company failed for over $2,000,000, it finally paid its creditors and stockholders in full.

In 1901 a company that had not been formerly under the examination of the State Banking Department was placed in the hands of a Receiver. Its total liabilities I do not know, but they were not of great aggregate.

There are no other failures of which I have knowledge within the State of Pennsylvania in the years during which the Banking Department has been in existence, save that of a very small company rejoicing in an illustrious and imposing name, and which developed liabilities of $13,000, and another company, which was a Pennsylvania incorporation, but transacting no business other than that of having its annual meetings within the borders of the State, its dealings being entirely in western mortgages.

COMPARATIVE INSIGNIFICANCE OF THE FAILURES.

From the foregoing it is gratifying to note that taking as an example the two States which by their customs are more definitely perhaps engaged in what is the established practice of a trust company business, the ratio of failures to general assets has in no case amounted in New York within the last twenty-five years to more than one and four-tenths per cent., and in Pennsylvania in the last fifteen years to two-tenths of one per cent.

I understand that in every instance the moneys and securities held by these corporations in fiduciary capacities, or in other words, trust funds, in the more literal acceptance of the term, were unimpaired by the difficulties experienced by the companies themselves. I may say that under the Pennsylvania statute and the laws of many of the Eastern States it is provided that trust funds shall be kept separate and apart from other assets of the company holding them.

STATISTICS OF FAILED COMPANIES.

Taking up now the broader field of trust companies throughout the country, I have arrived at the following results of my investigations:

In the New England States, the figures being official for all save Maine and Vermont, one company failed in 1891, three companies in 1893, one in 1896, one in 1897 and one in 1904. Those of 1896 and 1904 paid in full and resumed, and the others have paid their creditors from thirty-eight per cent. to fifty-five per cent. The aggregate of all these is less than one-half of one per cent. of the present assets of the companies in these States. As I am not provided with the assets of the companies in the several years in which the failures occurred, I cannot give the smaller percentage applicable to those years.

In the Eastern States I have already read figures concerning New York and Pennsylvania. In New Jersey a company failed in 1890 with liabilities bearing a ratio of one and one-tenth per cent. of the total assets of that year, but this was a corporation that had a life of but a few months before it was convicted of practices at variance with reputable trust company methods, and its charter was surrendered. In Delaware, likewise, a failure occurred in 1903 of a company holding a charter under the laws of that State, but which was virtually a Mexican corporation with branches in different parts of the United States and engaged in business which was foreign to a trust company in our acceptance of the term. We remember very well the failures of last year in Baltimore of two companies, and a third which was a branch of the Delaware corporation of which I have just spoken, and if we place the liabilities of these companies against the total assets in the State of Maryland we will find that they amount to twenty per cent. of them. Investments of large sums in one asset were the primary cause of these failures, but one of the companies came out of the hands of its Receiver and resumed operations a little over two months after its suspension with capital unimpaired, and the other, a larger corporation, has disposed of the interest which had carried it to the wall, and I understand that there is every likelihood of a settlement in full with its depositors and creditors.

Even aggregating all failures in the Eastern States within the lives of the several banking departments, the total liabilities form but one per cent. of the present assets within these States.

Of the Southern States, Virginia, West Virginia, Mississippi and Louisiana are the only ones furnishing me with official figures; in fact, Georgia, Mississippi and Tennessee have no banking departments with supervision over trust companies. From none of these States, however, am I advised that there have been any failures, and the companies within their borders have between them assets of about $82,000,000.

From the State banking departments of the Middle States I have received official figures from all but Ohio, Wisconsin and Iowa. No failures are shown except one of this year in Indiana, where the company has paid its creditors in full, and one in Minnesota in 1903 with liabilities of $412,000, forming less than one-tenth of one per cent. of the assets of the Middle States.

The Western States, because of the absence of laws governing trust

companies, or the recent enactment of them, have been rather barren as to figures in connection with my investigations. North Dakota, Kansas, Wyoming and New Mexico report no failures, and I am not advised of any in the other States.

The Pacific States also, either by reason of lack of records in their governments, or for other causes, have not furnished information as to any failure, and I am happy to say that I know of none.

The data at my command do not include the total assets of trust companies in the United States for the several years prior to 1903, but basing a calculation upon the figures of 1893 and averaging the growth of companies during the succeeding ten years, it would seem that the average ratio of the liabilities of failed companies throughout the country to the total average assets of all the companies has been approximately nine-one hundredths of one per cent.

It is rather interesting to note that while one thousand trust companies in the United States have aggregate resources of $3,600,000,000, and the above result is obtained as to failures, the average ratio of liabilities in the country during the same period of the last ten years, has been twenty-eight one hundredths of one per cent. From the last of the reports of the Comptroller of the Currency, from which I have compiled this result, I find that there are five thousand and forty-two National banks with total resources of $6,300,000,000, or more than five times the number of trust companies with less than double the assets.

Failures among us, therefore, seem to be reduced to a minimum. They would seem to have been brought about by imprudent management, depreciation of securities and excessive loans to clients; while in only one instance has there been assigned as a cause of insolvence the defalcation of an officer. The thing, therefore, that would be most hard to guard against is palpably absent from the list of misfortunes, and it is attributed to the class of men that guide our companies. That the people realize their solidity is shown by the enormous bulk of their deposits, and that they are profitably managed for their stockholders is evidenced by the fact that from a compilation I have made of the dividends paid by six hundred and two companies that have been in existence for over two years, it would seem that their stockholders receive an average rate of 9.4 per cent. upon par of their shares. This exceeds the rate of 8.7 per cent., which is given in the Comptroller of the Currency's report as the return to stockholders of National banks in the country.

THE CHAIRMAN: We have as our next topic for discussion "Proper Supervision of Trust Companies by State Officials." This section is highly honored by having with us to-day the Honorable William Barrett Ridgely, the Comptroller of the Currency, and I will ask Mr. Ridgely to give us a few minutes in an address.

REMARKS OF HON. WILLIAM B. RIDGELY, COMPTROLLER OF THE CURRENCY.

Mr. Chairman, and Gentlemen of the Trust Company Section—It is a very great pleasure for me to have been here this morning and to have listened to the various interesting papers which have been read on topics not only of great interest to officers and managers of trust companies, but to anyone engaged in banking of any kind or in similar operations. I had expected that I would be here this morning entirely as a spectator, being a little off the reservation in the Trust Company Section, and in fact I do not expect to make remarks enough to be considered much more than a spectator. I was particularly intersted, and very greatly pleased by the able paper I heard, by Mr. Fries, with regard to conservatism, especially as applied to trust company management.

Conservatism is really the foundation of all good banking, and it is more especially so in trust company operations than in anything else. The purely trust functions of the old-fashioned trust company are undoubtedly the highest development of the principle of credit and of confidence. They are the highest application of that principle to the relation of man to man in business. And, as Mr. Fries has so well told us, it is more necessary for this

class of business to be conducted conservatively than any other, so much so that I feel that we are treading on dangerous ground when we allow, under our laws, institutions which are organized to exercise particular trust functions to engage in so many other kinds of business. I think the warning of Mr. Fries in this respect is one that we ought to take very seriously under consideration.

A concern that has entrusted to it money, funds, belonging to estates or to widows and orphans, and all the relationships that exist in that sort of business, ought to be very limited in the other classes of business, in which it may engage; and it is questionable as to whether we are not going a little too far in the extension of the class of business permitted to trust companies.

THE OLD-FASHIONED TRUST COMPANY.

The figures just given us by Mr. Jackson are very interesting indeed, very instructive; but we should bear in mind that the record of the trust companies, which has been most excellent—the good record—is very much due to the fact that until comparatively recently these trust companies stuck to a legitimate trust company business, and as a matter of fact there can be hardly an excuse for the failure of a company that does stick to its trust company business, that is not brought about by the actual fraud and dishonesty of its officers. A trust company, if it is honestly managed, can hardly fail, provided it sticks to the old-fashioned, legitimate trust company business. But when, as we all know, they begin to branch into a great variety of other classes of business, the danger increases rapidly. The first tendency was for the trust companies to go into a Savings bank business. That, perhaps, was a natural alliance, a natural extension. With proper restrictions—and there need not be many—I see no reason why a trust company should not do that class of business; but they certainly ought not to be allowed to do a great variety of business as described by Mr. Fries—land business, insurance business, fidelity insurance business, and all that class of outside work—and I question whether a company with trust company powers ought to be allowed to do a general commercial banking business, and if it does that banking business it ought to be safeguarded by more than the usual number of restrictions instead of being allowed to be carried on with less restrictions than the usual number; and I see no reason why, if a National bank or a State bank that is doing a general commercial business is compelled by law to keep a minimum cash reserve, and limited to the extent of its maximum loans, why the same restrictions should not apply to the commercial business of a trust company or of any other bank, no matter under what name it may be run.

I was asked by Mr. Williams to say a few words in regard to the inspection and examination of banks. I do not want to trespass too much on your time, but in regard to that I feel that the forty years' of experience that has been had in the examination of the National banks has accumulated the largest amount of data on that subject that probably ever has been gathered together. There is no other country anywhere in the world that has as carefully and thoroughly examined the banks, and while some of our State departments have very good examinations of certain classes of banks, particularly the Savings banks, of course it is not so widespread in general as the examination of the National banks. Of course the National banks' examination is far from perfect; but, as a rule, it is pretty well done, very well done. The national bank examiners are hired on the wrong principle, I think. They are given fees instead of salaries, and the natural tendency is that in some of the smaller banks they do not give the time and attention required. But considering the circumstances, I think the men are proof as far as possible against this temptation, and that as a rule we get pretty good reports.

When a National bank fails there is, of course—especially in the country communities—a great deal of bitterness; the examiner is at once blamed, and it is considered all his fault that the money of the depositors has been lost. In rare cases, perhaps, it is true, but your must remember that a bank examiner cannot, and in one or two days every six months, check up everything that has been done in 365 days in the year, and a smart scoundrel in a bank

who wants to deceive the bank examiner is very apt to be able to do so; things are very much in his favor. In many instances, however, it is quite surprising to see the slight clues on which a bank examiner will discover a fraud, a fraud which has perhaps been concealed for a long time. Of course one of the most important things that is brought about by the examination of the bank is the calling to the attention of the Comptroller's Bureau the condition of a bank, which is still solvent, perhaps, but in a dangerous condition. Few realize how many banks which are found in this condition are straightened up by us and saved.

These things are naturally concealed. Secrecy is a necessary element to success and nothing is said about it if it can be avoided. But there is hardly a day in which we do not get in our office the case of a bank which is in pretty bad shape, and several times every month we find a bank in such a condition that we have to bring pressure on the officers, who have made loans, or the officers that have large lines out, to bring in some more security and straighten up the bank and put it in condition to go on. And in this the personal element of the bank examiner is of very great importance. He has to take a great deal of responsibility. The information that comes to the department is entirely through him, and very often it is his good judgment and courage and sense that save the situation.

We recently had a case where a bank of that kind was in trouble and the bank examiner was in telegraphic communication with our office. He made such a report one night that he was ordered to close the bank. After that was done some additional money was raised and the situation changed, perhaps very materially, as the bank examiner on his own responsibiblity started it up the next morning. And that bank is going to-day and is in very good shape.

FAILURES OF NATIONAL BANKS AND TRUST COMPANIES COMPARED.

Mr. Jackson makes some comparisons in regard to the failures of National banks and failures of trust companies, which show that comparing the number of trust companies with the number of National banks the failures in proportion are very much more. I think, perhaps, that is generally true, and it ought to be true. The trust company ought to be the most careful and conservative institution in the way it is conducted and managed. The most so of all banking corporations, and instead of having any feeling of rivalry or resentment against that, knowing that the record in the National banks is so very good and that the percentage of failures and the percentage of amounts of deposits lost is so small, I congratulate Mr. Jackson and you and all members of the Trust Company Section on the excellent work you have done in that direction.

THE CHAIRMAN: I am very sure we are all indebted to the Comptroller for his words. The next subject, which is on our programme——

MR. BREIDENTHAL, of Kansas City, Kansas: Mr. Chairman, before you proceed, it occurs to me that if we are to secure anything practical in a meeting of this character we should express ourselves on some of these important subjects. The question of supervision of the trust company by the several States, it occurs to me, is a very important matter. The banking and trust company business is based largely on confidence, and just in proportion as financial institutions enjoy the confidence of the people will their business grow and prosper, if they are entitled to that confidence. I believe it can be truly said the success of the National banking system has been due to the, at least, supposed strict supervision of those institutions, and it can also be said that in every State where we have a stringent State law providing for supervision of banks that the business of the State banks has grown and prospered as a result of that supervision. In my own State it caused the wiping out of over a hundred banks, but those remaining were strengthened, and two or three hundred have been recently organized, and they have prospered and are enjoying the confidence of the people to a marked degree, as

evinced by the fact that the State banks have a larger aggregate deposit than the National banks.

So I move you, Mr. Chairman, that it is the sense of this meeting that the trust companies in the different States should be under the supervision of the banking departments of those States.

MR. WADE: Mr. Chairman, I second the motion; but I would suggest that it read "Proper Supervision of Trust Companies by Officials," and I would include the trust company officials. I would include, secondly, the National officials of this Government, and, thirdly, the State officials.

It is true that Mr. Jackson has presented to us the fact that the percentage of failures in the trust companies has been exceedingly small, but it is also true that the trust company, as a financial institution of this country, is practically in its swaddling clothes to-day, and unless supervision be properly conducted, and, secondly, by examination of the officials of the Government of this country, the record of failures in trust companies will be far more numerous in the next five years.

Very many important questions have been debated on this floor to-day, or rather presented on this floor. Two of them are fundamental principles, which are of vital interest. No trust company can run and do an active business as a trust company unless it increase its cash reserve. I was one of those who had the fallacious notion that ten or twenty per cent. cash in bank was just as good as it was in your vaults. I had such practical experience that in one hour—yes, in half an hour—I was disillusioned of that notion. In half an hour there were 500 people at the doors of the institution that I have the honor to represent, demanding their money, and in another hour there were 5,000. And that reserve which we have all been shooting at, which was a thousand miles away, was mighty poor satisfaction to the fellow who had his money in our institution. Fortunately we—and by "we" I mean the city of St. Louis trust companies—were able to meet the situation; but if that run had kept up three days, gentlemen, it would have brought ruin and devastation to half a dozen centers in the United States. There is not a National banker, there is not a thinking trust company official, that does not remember the 27th of October, 1893, and who did not then immediately start to look at his fences as to where his cash reserve was. Of course, if you are doing nothing but a fiduciary business, if you have no deposits in your savings accounts, if you have no deposits in your banking department, if you are simply acting as a trustee and as an executor, then that principle does not follow; but if you are doing a banking business, plain, pure and simple, whether that banking business be secured by collateral or on commercial paper, then I tell you, gentlemen, that every one of you that carries in your vaults less than ten or fifteen per cent. of your reserve in real, genuine cash is walking on thin ice, and if you go through the experience that was had in St. Louis and Baltimore and Pittsburg you will be convinced of it in a very short time. Just pause for a moment. The National banking system has behind it the power, the influence and the weight of the greatest Government on God's green earth. In forty years they have gathered together about $1,300,000,000 behind the National banking system in its capital and surplus. In deposits it has in round figures more than $5,000,000,000. With the weight of the Government, with the best banking system on the face of the earth, that has been accomplished in forty years' time. The trust company, as we understand it to-day, is practically ten years old. Of course we all understand that the trust company is two or three hundred years old; but the

trust company as we understand it to-day is an institution that has come into life and activity in the last ten or fifteen years. What have they invested? In capital and surplus, practically $700,000,000, and in deposits over $3,000,000,000. They are second in importance to the National banking system.

The progress of this country would be seriously retarded if you would eliminate the trust company as a financial institution, unless you substituted something better. Therefore, those of us who are devoting our lives to the upbuilding of this institution ought to go back from this meeting and first look at our own books; then not only ask, but beg, the State examiner to do it, and if by the blessing of God we could get the National Congress of the United States to create a supervision the equal of that of the National banking system there would be in the course of the next two or three decades an institution, a system, of financieringg in this country as great as the National banking system itself.

THE CHAIRMAN: Do I understand that your first remarks were an amendment to the resolution which was presented or a secosd to that resolution?

MR. WADE: I seconded the motion, but let it go.

THE CHAIRMAN: The motion before us is that we express the sense of this meeting to be that the trust companies in the different States should be under the supervision of the banking departments of those States. Are there any further remarks?

MR. HEURTLEY, Secretary Northern Trust Company, Chicago: Mr. Chairman, if it is in order in connection with this, I would move that a committee be appointed to draft a uniform law in the Several States governing the particular matter of the examination of trust companies.

THE CHAIRMAN: Do you offer that as an amendment?

MR. HEURTLEY: Yes.

THE CHAIRMAN: Has the amendment a second?

MR. PHILLIPS, of Delaware: I would second the motion.

A MEMBER: What is the motion?

THE CHAIRMAN: The amendment is that a committee be appointed to take this matter in charge and to draft a law which shall be used in carrying out the terms of this motion, the law to be submitted to the several States. It might be advisable to state that in a number of States trust companies are not subject to examination or amenable to the State banking department, and I presumed it was Mr. Heurtley's desire to cover that situation. Is the amendment accepted by the proposer of the motion?

A MEMBER: What is the proposition?

THE CHAIRMAN: To appoint a committee to draft a law, and that committee, I presume, is to endeavor to secure the passage of such a law where it is necessary, putting the trust companies under State supervision.

MR. BREIDENTHAL: Mr. Chairmas, just a word. This is a pretty wide country and different conditions exist on the Pacific Coast from the conditions on the Atlantic Coast, and different conditions exist in Kansas. We have a strict supervision in Kansas. I scarcely think it wise at this time to suggest a uniform law. After we have once secured supervision in every State even although the laws seem defective, then it seems to me it would be a better time to secure uniformity. But let us declare in favor of State supervision, leaving it to the wise judgment of each particular State as the local conditions may suggest to that form of law. It occurs to me that would be a better proposition.

MR. JESTER, of the State Savings and Trust Company, Cleveland: Mr.

Chairman, do I understand that the original motion was that it is the sense of the meeting here that we favor supervision of the trust companies?

THE CHAIRMAN: By the State bank departments of the several States, yes sir.

MR. JESTER: Why would it not be better, then, to pass upon that motion, and then have a separate motion to the effect that a committee be appointed to do what it can to bring about a uniform law.

THE CHAIRMAN: The Chair thinks that course of procedure would be the proper one.

MR. WADE: The question is on the original motion, Mr. Chairman.

THE CHAIRMAN: Are you ready for the question?

Cries of "Question," "Question!"

THE CHAIRMAN: It has been moved and seconded that it is the sense of this meeting that the trust companies of the country should be under the supervision of the State banking departments——

MR. HEURTLEY:. I move now that a committee be appointed to draft a suitable law to be presented to the different Legislatures where such a law is necessary. In Illinois we already have a law now. The trust companies of the State are under very strict supervision.

MR. PHILLIPS, of Delaware: I second the motion.

The question was taken and the motion was agreed to.

MR. FRIES: Mr. Chairman, it seems to me we would do well to make that general. If we are going to make it general over those States where there is no supervision now, would it not be well to try and have every State make a law in regard to trust companies which would be uniform. So I would amend it by saying that this committee try to draft a law that would be uniform.

MR. WILLIAMS, of Virginia: Mr. Chairman, it does not seem to me that it would be practicable to have uniform laws in all the States. The laws that would be appropriate to New York State would be very different from those applicable to Southern or Western States, and the same way with the laws governing Savings banks, they are different in New England and New York from those in the West and South; so I do not think we can hope at this time, owing to the different conditions in different parts of the country, to have a uniform law governing the operation of trust companies. It seems to me it would be well to call the attention of the banking departments of the different States to the resolution passed here, that we deem it important that the trust companies should be under the supervision of the banking departments of the State, and then the banking departments will take such methods and measures as may seem best suited to each particular case.

MR. MCCULLOUGH, of the Merchants' Loan and Trust Company, Chicago: Mr. Chairman, it seems to me we should leave to the Legislatures of the various States the question of making necessary variations in the control of trust companies, but this organization may very well establish a uniform model for recommendation to the various States. There is, of course, a great amount of ignorance on the part of legislators and others of proper requirements for examination and control of trust companies, and if we adopt a model of education for the various legislators, they may be left to make the necessary variations to meet the local conditions.

MR. PHILLIPS: As the seconder of the motion I would like to say, Mr. Chairman, that I think it very important that we should make some effort to

secure uniformity throughout the different States, and if we do not make an effort in that direction obstacles will be thrown in the way of development of the trust companies.

MR. WADE: I agree with what the gentleman has just said, and I move as a substitute motion that we refer it to the executive committee, with the sugggestion that they take it up and do something in the meantime.

THE CHAIRMAN: Is the original motion withdrawn?

MR. HEURTLEY: Yes.

The second was also withdrawn.

THE CHAIRMAN: Then we will consider Mr. Wade's motion, to the effect that this be referred to the executive committee, with the recommendation of this meeting that they shall take the matter under advisement and act upon it.

The motion was agreed to.

MR. YOUNG: I do not want to take the time of the section, but I think in justice to the Trust Company Association of New York there should be some notice taken of the statement that there were two failures in the association within the last thirty years—I think it was. I think it should be stated in this connection that there is no record whatever in the department of banking that in either instance referred to there was the slightest loss to a depositor in either of those institutions. In the case of the American Loan and Trust Compasy that is an absolute fact, and as far as the other trust company is concerned, the one that failed in 1891, that we all know paid its depositors in full, and that has now been reorganized and stands as one of the strong companies of the State, with a capital of $2,500,000, and a surplus of $2,500,000.

MR. FISHER, of the Flatbush Trust Company, Brooklyn, N. Y.: Mr. Chairman, it strikes me, in view of the difference of opinion in different sections of the country on this question of supervision, that the meeting is drifting into an error. I think there should be uniformity so far as examination is concerned but possibly not uniformity so far as the laws governing their powers are concerned. Am I correct?

THE CHAIRMAN: I do not understand it so. I think it has been generally understood that the motion recommended, suggested as the sense of this meeting——

MR. FISHER: An examination?

THE CHAIRMAN: No; that the trust companies of the different States be under the direct supervision of the banking department, not entirely as to supervision periodically of the condition of the company, but as to laws relative to the operations of the company. If I misunderstood the scope of that motion, I suggest that I should be corrected.

MR. WILLIAMS: I understood two resolutions had been passed. One was that all trust companies should be under the banking departments of the respective States. That was the first resolution. The second resolution referred to the executive committee the question of recommending to the Legislatures of the different States the enactment of laws to govern such companies, leaving it to the executive committee to take such action in the matter as the executive committee might think best. That is the way I understood the motions, and as I voted upon them.

THE CHAIRMAN: I think Mr. Williams' explanation clears it.

MR. HEURTLEY: The idea I had in mind myself was to cover principally

the examination of trust companies by the banking department of the various States.

THE CHAIRMAN: And that point has been covered in the motion which has been passed by the meeting.

Unless there is some further discussion of this question, we will pass to the next subject on our programme, "Trust Companies' Associations in Different States; Their Possible Relation to the Section." In view of the possible action of this section in the election of vice-presidents from different States this subject is most interesting. Unfortunately, one who intended to discuss it is not present. It is the purpose of the election of these vice-presidents to form a connecting link between the section and existing State associations, or to lead to the formation of such State associations. I am informed that there were two States having associations devoted entirely to trust company work—Pennsylvania and New York. In Pennsylvania that association is a section of the local bankers' association.

If anyone has any remarks to make on the subject I hope we will hear from such gentlemen, but rather briefly, as we will not be able to finish our programme before we shall have to take a recess for luncheon. As you know, luncheon has been provided by the New York trust companies.

(After a pause): If there is no discussion of this question we will pass to the next, "How Can the Public Best Be Taught the Functions of the Trust Company?"

O. C. FULLER, President of the Wisconsin Trust and Security Company, of Milwaukee, will give us a few suggestions

REMARKS OF O. C. FULLER, PRESIDENT, WISCONSIN TRUST COMPANY OF MILWAUKEE.

Mr. Chairman and Members of the Trust Company Section—Having been honored with an invitation to say a few words on the subject of how can the public best be taught the functions of a trust company, I wish I could lay before you some unique and simple plan by which every trust company, wherever located could, with little effort, gather around it a throng of eager clients willing and anxious to deposit in its strong boxes all their surplus wealth, all their hard-earned savings, and to hand over their estates, for its sagacious management during the remainder of their lives, and for its wise administration and just distribution after their death. I wish I knew of some such wonderful plan, but if any such has been discovered I have not found it.

It may be that there are some among us who think they have, for I have received from several sources sundry offers to sell me certain ready-written and neatly bound, "follow-up" systems guaranteed to produce so many thousand customers within a given number of months at prices varying all the way from five to fifty dollars per system.

Doubtless there is much of value in some of these systems and some merit, perhaps, in all, but the general proposition to sell us for a song an easy way to prosperity, reminds me of the story of the butcher's lad who went to school for the first time.

The teacher was trying to initiate him into the mysteries of the multiplication table. She found him all right up to two times five are ten, but two times six was too deep for his youthful brain. He could not even guess the answer. Finally, remembering the business of his father, and appealing to his commercial instinct, she put this proposition to him: "Now, Johnnie, if a man should come into your father's shop and order two pounds of porterhouse steak at six cents per pound what would it come to?" "Nothing," was the prompt answer. "Why, how do you make that out?" the teacher asked in astonishment. "Because you can't get no sich article for no sich price."

Many mediums are effectively employed not only to teach, but to induce the public to use, the functions of the trust company.

Personal influence and solicitations; intelligent and attractive (if always dignified) advertising; circulars, letters, leaflets, "follow-up" correspondence, if you will, and the much-used and much-abused booklet, setting forth the functions of trust companies and mailed to investors, known and unknown, to taxpayers, big and little, to club members, ministers, school teachers; handed out to savings depositors and safe deposit box renters, and distributed by any and every means known to the ingenious advertiser. All of these are good in their way and in their proper place, but not all are adapted to every trust company. Much depends upon the location and the conditions surrounding each particular company.

Looking out of my window the other day while thinking of this very subject, I saw my youngest boy, a curly-headed little chap, out in the yard enjoying the delights of his first hammer and nails. Between his little legs, stretched flat upon the ground was a soft pine board, and the way he was hammering nails into that pine board from one end of it to the other, and the genuine joy he was getting out of the operation, warmed the very cockles of my heart and carried me back to the days of my boyhood.

As I looked, the picture seemed to change. Instead of hammer and nails and a boy and a board, I seemed to see a trust company and all the elements of the business represented in that picture. Instead of a plain pine board, I seemed to see the city in which that trust company lives, the public that it serves. Instead of the nails, I seemed to see the functions of that trust company—there were many of them. The hammer seemed to represent the board of directors, a most important factor. Composed of the best material; the handle made of hickory, carefully selected from seasoned timber; a head of steel, hardened and tempered in the fire of experience. The boy seemed to represent the working force of the institution from the President down to the messenger.

Full of life and health and vigor, sound in every part, no shrivelling limbs or useless members, wholly absorbed in the work before him, determined to succeed and to let nothing turn his purpose, or stop his progress until his work is done, he seemed to represent a complete and perfect organization, and Mr. Chairman, in that boy and hammer I thought I saw more than half the answer to the problem, "How can the public best be taught the functions of the trust company?"

MR. WADE: Mr. Chairman, one of the ways of answering that question I think would be for all of us actively engaged in trust company business to go through the magazine known as "Trust Companies." I want to say in making that suggestion that I have absolutely no interest in that magazine. I support it because I think it is one of the best things I have seen in the way of a publication spreading the light on the trust company situation.

Mr. Gillespie, of the Equitable Trust Company of New York, announced to the section that cards to the Lawyers' Club would be given to all members. He also announced that the trust companies of New York had arranged to furnish luncheon to those present, which was now ready.

Upon motion of Mr. Heurtley, a vote of thanks was extended to the trust companies of New York.

Thereupon at 1:45 the section took a recess for one-half hour to enable the members to partake of the luncheon provided through the courtesy of the New York trust companies.

At the expiration of the recess the section reassembled.

THE CHAIRMAN: The next subject for discussion, gentlemen, is "The Relation of the Legal Profession to the Trust Company; How Best to Secure Co-operation." We shall be glad to hear from any of the members on this subject.

MR. DINKINS, Vice-President Interstate Trust and Banking Company, New Orleans: Mr. Chairman, we have been trying in a number of ways to interest lawyers in trust companies, but we find that when they have occa-

sion to call upon some one in the administration of estates and so on they are disposed to bestow such favors on their business associates or personal friends. However, we have done something in the way of educating them by distributing pamphlets and by advertising in the public press that when a lawyer brought business to us he could rely on his being retained as our counsel in the administration of that particular affair. We have thought some progress has been made even in Louisiana, where trust companies are comparatively new, and where their relations to the public are not so well understood as they are in the North and East.

I would be very glad to hear from some representative of this section as to the success he has met with or expects to meet with along similar lines.

THE CHAIRMAN: Are there any other remarks on this subject?

MR. SHORROCK: I would suggest that Mr. Heurtley, of Chicago, represents the Northern Trust Company, and he might tell us something on that subject.

MR. HUERTLEY: I am not a member of the legal profession myself, but I think there is a good deal of misunderstanding on the part of lawyers on the one hand and the trust companies on the other, that the feeling is the trust companies are encroaching upon the domain of the legal fraternity. Our practice has been, and I think it is followed by every trust company in Chicago, that we use the attorney who brings the business to the corporation. It is true that we have our own legal advisers, but we use the attorney who brings us business where the estate itself has not had an attorney connected with it, and we have found that plan to work very well indeed. The average lawyer's office is not equipped as a rule either with clerical force or in other ways to handle what sometimes is a complicated business, and I think that the lawyers are finding out that their best interests lie in joining with the trust companies rather than in antagonizing them.

MR. MCCARTHY: Mr. Chairman, I would like to ask the gentleman if he ever has any difficulty arising from the fact that there are a number of counsel, and if he requires supervision of the affairs of the different estates by his own counsel.

MR. HEURTLEY: We have had that situation very rarely; occasionally we have had it; on two occasions we have had arbitrarily to set aside the attorney for the estate and employ our own by reason of practices that would not be countenanced by any self-respecting company.

MR. GIBSON, of Denver: I would like to ask if it is the practice also to employ counsel of bondholders in the case of a foreclosure, or if the trust company reserves the right to employ its own counsel. That question has come up with us in several cases.

MR. HEURTLEY: The trust company has a right, reserves the right, to have its own counsel in foreclosure proceedings. If there are outside attorneys it is usually of such importance that we deem it wise for our own protection to have our own chief counsel associated in the case.

THE CHAIRMAN: The next subject for discussion is discount and commercial banking. We were fortunate this morning to hear the views of the Comptroller of the Currency on this question, and they were quite satisfying in their scope. However, if anyone cares to discuss the matter further we will be very glad to hear from him.

The next subject is practicability of trust companies in small towns We trust Mr. Mord Carter, President of the Danville Trust Company, of Danville, Indiana, will give us a few words on the subject.

(Mr. Carter was not present.)

Are there any others who can speak on the subject?

(After a pause): You might infer that you are all from large cities.

A MEMBER: What is a small town?

THE CHAIRMAN: Mr. Carter operates a trust company in a town of about 2,000 inhabitants, I think. That will bring him to his feet if I have not stated it correctly.

If there is no discussion on this subject we will proceed to the next, "Institutions and Practices Within the Trust Companies in the Interests of Employees."

I regret that Mr. Tillotson, Vice-President of the Cleveland Trust Company, is not here to tell us about the "Eagle Eye." You are probably familiar with that publication. I should be glad to hear from anyone else who has something to speak of along these lines. Perhaps Mr. Wade can enlighten us.

MR. WADE: We have such an organization in our company. We tried in the organization to eliminate the pension feature or the charity feature, and put it, as we thought all business institutions should be run, on purely a business basis. We organized an employees' association, the Employees' Investment Company, which was the name of the corporation. No employee can take less than five per cent. of his monthly salary in stock; nor can he take more than five per cent. The officers are barred from entering into the employees' association. The theory is based on five years' duration. At the end of five years they can divide the fund just as they choose. If for any reason during the five years an employee, whether it be for bettering his condition, or doing some dishonorable act or through resigning through ill health or a change of condition, should leave, he can, within sixty days thereafter, withdraw his money. The fund that is thus created is invested in securities which the employees select, but which they are not permitted to buy or sell without the approbation of the executive officer, whoever he may happen to be at that particular time. Our company, as you can doubtless tell from my remarks, is new, and we have only been running that employees' association about four years. They have added to their fund a profit of about thirty per cent. Semi-annually we contribute as a gift—I say "we," I mean the trust company—a sum of money to that fund which is practically equivalent to five per cent. of the salaries per annum of the employees of the establishment. The idea was that it would not do to let the son of a rich man who might be working in a bank or a trust company be able to take more stock than the man or boy supporting his mother or father. There is no compulsion on an employee. They understand that it is entirely optional. I think they have found it to be so profitable that I am proud to say that all our employees are stockholders in the association.

MR. STUDLEY, of Providence, R. I.: How many employees have your in your corporation?

MR. WADE: One hundred and forty-five. (Answering a question which could not be heard from the platform): The employees buy stock just as you or I would if we bought it on a five per cent. margin. They pay five dollars per share. If their salary would only justify them in buying half a share they would pay two dollars and a half, and so on. The amount contributed by the trust company is entirely voluntary and there is no inducement held out that that contribution will be kept up. It is usual at the end of every six months for the officers to recommend to the executive committee

that out of the profits of the past six months so much shall be contributed as a gift to the employees' investment association.

A MEMBER: There is no other gratuity, then?

MR. WADE: No sir, no pension; they are under no obligation to us and we are not under any to them.

MR. MCNAIR, of Buffalo: We have in Buffalo an institute of bank clerks. It has been in existence about five years. During the fall and winter they have monthly meetings and the clerks of all the banks of the city, Savings banks, National banks, trust companies and all, are eligible to membership. The members of this association prepare very able papers. They commence at the bottom of the bank and present papers in series so as to cover the entire workings of the National bank, the trust company and the Savings bank. They show a surprising amount of interest in this subject and it is constantly growing. I do not think that there are any other features connected with it along the line that Mr. Wade has suggested.

THE CHAIRMAN: A praiseworthy feature of the work of the American Bankers' Association is the establishment of those associations, I think they are called associations. There are twenty-eight chapters, the secretary advises me, throughout the country. The result, as you will hear to-morrow from the record of the chairman of that committee, are exceedingly satisfactory.

MR. SHORROCK: Mr. Chairman, I suggest that this question of commercial and discount banking is one of the most important. Mr. Ridgely went into it pretty thoroughly, and I as a country member would like to learn what the members think on the subject. I would like to hear what such men as Mr. Heurtley or Mr. Wade have to say on the subject.

THE CHAIRMAN: Mr. Shorrock would like to return to the subject of commercial and discount banking. If that is your pleasure we would be very glad to do so. Does anyone offer any suggestion on the subject. If not, we will pass it. The next subject is fees charged for different services. We would like to hear brief statements of the fees customarily chargd for the registration and transfer of stock, the trusteeship of bonds, and so forth. We would like to hear from Mr. Pierre Jay, Vice-President of the Old Colony Trust Company, of Boston.

MR. JAY, of the Old Colony Trust Company, Boston: Mr. Chairman, in regard to transferring the stock and registering, there is no scale of charges. In every case it is a question of making the best bargain with the company whose stock we transfer. As a rule, we have found it somewhat unsatisfactory to make bargains in advance, and we have tried to persuade the companies to allow us to transfer their stock or register it for a year, and at the expiration of the year, after we have had some experience, then to decide on a fee in regard to charging for fiduciary work; acting as trustee especially, the charge in Boston is five per cent. on the income. Trust companies in Boston have not made much progress in getting fiduciary work. It is mostly in the hands of individuals. Where more than one trustee is appointed in the case of an estate then five per cent. is divided between them.

MR. HARVEY, of Huntington, West Virginia: Mr. Chairman, I would like to ask the question as to what is customary in charging for acting as trustee in a bond issue.

THE CHAIRMAN: I would be glad to hear from Mr. Babcock, the trust officer of the Colonial Trust Company, of New York. He has had much experience in such matters.

MR. BABCOCK: What is the question?

THE CHAIRMAN: The question is what fees are usually charged for acting as trustee for the issues of corporate bonds.

MR. BABCOCK: The charge is usually fifty cents a bond.

MR. McCARTHY: I would like to ask whether there is a counsel fee usually charged in addition to the fifty cents.

MR. BABCOCK: Sometimes, yes, but as a rule there is no extra charge. I might say in addition that where they charge 50 cents a bond simply for the certification of the local bonds that if you expect to pay the coupons the money should be deposited at least ten days ahead. If it is not deposited until the day the coupons are payable the trust companies usually make a charge of one-eighth or one-quarter of a per cent. It is usual also to charge $50 a year for registering. But generally speaking, the charge, if you get $100, covers everything.

MR. POWERS: What about the charge on sinking funds?

MR. BABCOCK: If you have a sinking fund established you have the use of the money, and that is considered sufficient compensation. Of course circumstances might arise where there would be considerable detail about a sinking fund and where it would be proper to make a charge, but I do not know of any fixed rate. It would depend a great deal on circumstances. It would depend for one thing on how long you had the money.

A MEMBER: Mr. Chairman, I do not know whether to consider myself a country member or a city member. I come from Wilmington and Wilmington is a city of nearly 100,000 population and is in a very flourishing condition with three most excellent trust companies. Running around the city here I am rather inclined to think that New York is only a greater Wilmington.

The subject now before the convention is a very interesting one to me and I feel inclined in behalf of Wilmington to make a complaint against our brethren who have overestimated the liability of trust companies, in view of Mr. Rollin's able paper this morning. The trust company that assumes the duties of registrar and transfer agent takes the risk of having its entire capital wiped out by some blunder on the part of its officers or some mischance in the transaction of its duties in that respect. I have been very much embarrassed in the effort to adjust differences between my corporation and other companies in the matter of fees for acting in that capacity, and just now I have under negotiation the question of the proper charge for acting as trustee under a mortgage for a bond issue of $1,500,000. I have been confronted with the statement, somewhat similar to the one made a moment ago, that it is only a nominal charge after all that a trust company should make for assuming great responsibility and acting as trustee under a mortgage.

I would suggest that the New York members especially get themselves straightened out on this question in the light of Mr. Rollin's suggestion and set an example and be of decided assistance to trust companies in the smaller cities. Certainly the responsibility assumed, is very, very great. The corporation issuing the bonds or stocks get the advantage of the reputation and the name of the trust company that acts in its behalf. For that, first of all, there should be a very handsome consideration. Then for the actual work of transfer. The mere clerical part is very small, but it requires a great deal of skill and care. And so it seems to me that the fee ought

to be a very handsome one and that a hundred dollars is suggestive of a want of appreciation of the responsibility resting upon the trust companies.

In a bond issue of $1,500,000 I am bold enough to suggest to my New York friends that the preliminary fee ought not to be less than $1,500, that there should be an annual fee in accord with the preliminary fee, and that might be made to cover the clerical and any other duties that might incidentally fall upon the trust company, the trustees, and the payment of the coupon. I would certainly make the basis $1,500 for a bond issue of $1,500,000.

Mr. Borne, of the Colonial Trust Company, New York: Mr. Chairman, I have listened to the remarks that the gentleman who has just spoken with a great deal of interest, and it would give me much pleasure to profit by them if possible. Unfortunately, there is competition. If we could be certain that the competition would be eliminated I should not only charge $1,500 but $15,000. The gentleman has rather confounded two functions. He speaks indiscriminately of a bond issue and of transfers. The transfer of stock is one function of a trust company; the acting as trustee for an issue of bonds is an entirely different function, in that the trust company runs very little risk, indeed if a mortgage is properly drawn the risk of a trust company is nil. Its functions are purely clerical, we may say, in such case. It simply acts as a registrar, if you so like to call it, of a certain issue of bonds. There is no risk; there is no responsibility. The company does not place itself behind a particular issue for which they certify; but it acts quite as much for those who take the bond as it does in the interest of the issuing party.

We are very glad to receive our fifty cents a bond; we are very glad where there is an issue of say $1,500,000 to take our fifty cents a bond and ask nothing for counsel fee. We are glad to have the money deposited with us ten days prior to the time of paying the coupons, and glad to pay them without any fee for it. We are glad to have the sinking fund deposited with us ten days before it is necessary to use it, and we figure the use of the money for ten days will indemnify us for any trouble we undergo. If we did not do it our neighbor around the corner would be glad to do it.

Now, if you gentlemen from Wilmington will find for us a way under which we, and every one of us, can eliminate the competition of our neighbors we would be glad to raise our rates to the point he would like us to charge.

Mr. Lossitt: From what the gentleman says I do not think he has quite the same idea of what Mr. Rollin's paper means as I have. I may be mistaken but I think it was said that the good name of your company stands for the bond issue.

Mr. Borne: It does nothing of the kind, sir.

Mr. Lossitt: I respectfully submit that you certify the bond and the name of your company is printed on them, and that while the mortgage relieves you of the responsibility, still your reputation is to a certain extent a guarantee for the bond. Many persons may come to you and say "I took the bonds because I saw your company's name on them." The legal and technical objection would remain all right, you can get out of that all right; but if I am wrong as to Mr. Rollin's position on the question I trust that he or some one else will correct me, for I do not want to go back home with an erroneous impression as to the responsibility of every company that takes the responsibility of trustee under a mortgage.

Coming to the point of rivalry, which seems to be as acute in New York as elsewhere, I will relate a simple commonplace incident that will meet the point of the gentleman and convey a lesson. Somtime ago the company I

have the honor to represent was asked to become the trustee and registrar and transfer agent of a company about to issue $25,000 of bonds. I went over the ground very carefully and I concluded that a proper preliminary fee would be $125, that a proper annual fee would be $50, and that the annual fee should cover all the incidental services including the payment of the coupons. The president of the company was a personal friend of mine, and a patron of our company, and was exceedingly anxious to give us the business. Now, here is the point. He came back and said a trust company in Pennsylvania was willing to do the preliminary work for $5 and charge nothing for its annual services. I said "Don't go to them because probably a third company may offer you something for the privilege of doing the work." So, if I was in New York I would fix the compensation fairly and stand there.

Mr. Borne: Mr. Chairman, it would be simply a question of agreeing. The gentleman does not understand that the price we now charge is one that has been fixed honestly and fairly; it is the result of competition but it is a fair price and we are all satisfied with it. I am perfectly satisfied with fifty cents a bond. Now, when it comes to a moral question, every well-regulated trust company, every trust company of repute in New York, will carefully look into the bona-fide and moral side of anything that may be presented to it before it will act as trustee for any particular issue of bonds. I have no doubt we have refused to issue hundreds of bonds, where we could have gotten our fee. We could have certified to the correctness of the bond issue; we would not have been liable; but we would have been taken with suspicion after that if the bonds were not all right. I know I am voicing the sentiments of every one of my fellow trust officers in New York in making this statement.

Some of our most apparently prosperous institutions have come to grief at different times. Therefore the trust company after it has satisfied itself of the thoroughly proper moral side and the proper business side and the honest side and the reputable side of the undertaking, is thorougly justified in acting as trustee and it incurs no further risks.

I can say that the gentleman speaks of the registration and transfer of bonds. There is no such thing as the registration and transfer of bonds. Mr. Rollin's paper treated of companies acting as transfer agents for stock. In other words, transferring a certain amount of given property. That is a different question from that of certifying bonds.

Mr. Lackey, of the Mississippi Valley Trust Company, St. Louis: Mr. Chairman, this question of fees for services is an extremely interesting one. Very frequently we have had the question brought home to us in a way that we did not like. We fix our fees upon a basis that we think right after a careful and just investigation that we think a trust company should give before acting as a trustee under a corporate mortgage, or as the transfer agent or registrar of stock. Of course the trust companies recognize that there is a moral responsibility resting upon them in any connection that they may have, and that whenever a trust company allows its name to be used in the furtherance of a corporate enterprise, whether its name be used as registrar and transfer agent of the stock of the corporation or as trustee under the mortgage securing its bonds issue, there is a responsibility, and the failure of the enterprise will smirch that trust company's fair name. So that it has always occurred to us that in order to pay for the incidental and clerical services and for the extreme care and caution and discretion that are necessary in con-

sidering the advisability of entering into such a relationship, that there should be a good fee charged for these services.

I agree with the gentleman from Wilmington that the spirit of competition that is abroad in the land is very detrimental. We cannot for fifty cents a bond, or twenty-five cents a bond, afford to do the things that are necessary to do. At least, in the West, in acting as trustee under a bond issue we cannot afford it.

Looking at it simply from the moral side of the question, I think that is true. But if the gentleman will read the case of Loan and Trust Company vs. Fisher in the United States reports (I forget the volume) he will find that the moral responsibility is not the only responsibility instead of buying bonds. In fact, in that case the language of the court is so broad that one cannot fail to be impressed that his legal responsibility is as broad as his moral responsibility. So deeply has that decision and the general decisions on the subject impressed us, that we before acting as trustee under a bond issue, are very careful to investigate those bonds to the extent of knowing that there is not only actual value there, but that there is evidence that this enterprise has been investigated and that there is value commensurate with the authorized issue.

As I say, the language of that case is very broad and it is held through that that the trustee's duties are not simply to say that the company has been properly incorporated and that the bonds have been properly issued, but that the trust company does by its certificate convey to the investing public the idea that this enterprise has been investigated and that there is value back of the securities which are issued in connection with its name.

We in St. Louis have tried very hard to charge a fee of not less than one dollar a thousand for certifying bonds. Frequently we have lost trusteeship through our friends in New York. Of course where they get million-dollar bond issues they can afford to charge a little less per bond. Sometimes we have failed to make connection by reason of competition locally, have lost an issue through our local friends. It has suggested itself to us frequently that there should be among trust companies not only in localities, but trust companies generally throughout the country, some sort of a convention, some sort of an understanding, which would bring about the adjustment of fees for services upon a basis fair and commensurate with the value of those services just the same as trying to persuade corporate representatives of the value of having their bonds certified, of the value of having the trust company act as transfer agent and registrar of its stocks, when we get to the question of fees and they find out, after our impressing upon them the extreme importance of them taking that safeguard, something about it, and when we tell them what the fee is, at times they will say, "Your fee is not commensurate with your expression of the importance of the undertaking; if it is so important why do you charge so little for it?" And I think we lose some business by the cheapness of our fees.

But I should like very much to see some movement on the part of this association to bring about a getting together upon the question of fees for various trust services.

MR. POWERS: On the subject of fees, we are all interested, of course, because that is chiefly what we are working for. I believe the gentleman from Wilmington is about right in trying to convince this convention that neither he nor Wilmington people belong to the cheap-skates party, and I think they ought to get all the fees they can. But it seems to me that there

is in this apprehension as to the real condition as to certifying bonds. What do you certify? Nothing with reference to the value of the property; nothing with reference to the reputation of the people who issue the bonds; you simply certify that this is one of the series of bonds named which you issue as trustee. And therefore you leave everybody to find out the facts. You simply say, "Go look at the mortgage and find out what these bonds are." You simply say that this is an issue of $100,000 or a million dollars and that this bond is one of that series, and no more.

Now, then, the charge of fifty cents or a dollar on the thousand—of course we all get the most we can—is all right. I say to a man I will charge him a dollar for an issue of a hundred thousand dollars. I do not allow him to talk to me about going to New York. New York is too far away. The truth of the matter is, gentlemen, that we ought to have some arrangement for fees independent of that fact, where we handle these bonds. You cannot undertake to handle bonds in small issues and make an investment unless you get paid for it.

In regard to receiving the interest on the money for ten days and that compensation, that may be a long time with the average New Yorker but we fellows who live in Kentucky think that ten days is not worth a scratch. It is true we may kill half a dozen men in ten days; but that doesn't count.

So the truth of the matter is we are working for too little. The competition is right and sharp, but we must meet the competition. If you have in Louisville fourteen trust companies you must reduce them to five, which you have just done in a very systematic sort of way. In Wilmington if you have more than you can take care of let these New York fellows know it and they will take them in out of the wet, as they take in everything else out of the wet that comes their way.

MR. LACKEY: I will just add that I was so startled by the principles enunciated in the case that I have referred to that I have taken considerable pains to investigate that subject and to see whether that case was indicative of the real law on the subject or whether it was simply a passing fancy. I will say that while I have not been able to find any decision that goes as far in the statement of the principles as that case has gone, that the general trend of the decisions———

MR. LOSSITT: In what court was it?

MR. LACKEY (continuing): Of the court on that subject supports that decision and that a trustee takes upon itself the duty of saying not only that the issue is regular but that there is something behind that issue. A wild-cat bond issue, for instance, certified to by a trust company and trustee, would render the trustee, under that decision, personally liable. That case is a very interesting one. If you will take the trouble that I took in writing for the briefs of the defendant and the plaintiff in the case—I have all the briefs that were filed in the Supreme Court—you will find it an extremely interesting compilation of the law, and it will leave nobody any reason to doubt what he will be up against if he goes into court on a wild-cat bond issue.

MR. BORNE: Mr. Chairman, I quite agree with the gentleman. I have said that I speak for the New York trust companies, and I hope that none of them will certify the wild-cat bond issue—we certainly will not—but given that there is property behind the issue, and that the people are honest, and that the entire corporation is reputable, then we are justified in certifying, and we have no further responsibility as my friend from Kentucky indicates.

MR. WILLIAMS: Mr. Borne, of the Colonial Trust Company, made the remark, I think, that there is no such thing as registration of bonds. Of course he forgot for the moment that a large portion of bonds issued are registered, and registering them takes the same responsibility that the trustee takes in registering stock. The functions are separate and distinct; that of acting as trustee for the bond itself and acting as transfer agent for registered bonds.

MR. EITEL, of the Union Trust Company, Indianapolis: Mr. Chairman, I want to say that I am disappointed in the statement of the gentlemen from New York as to their charges in the matter of services rendered by the trust companies. We have looked to New York for an example, and I will say as far as my company is concerned I would not think of the charges New York companies are making, and if their charges are seriously going into effect I am afraid it will ruin our business throughout the United States. We find in making our charges that the charges of the New York trust companies are referred to. It has been our policy in making a small issue of a trust mortgage to make a minimum charge of $50. If the mortgage runs from $100,000 to $200,000 we charge a dollar a bond. If the bonds are issued in smaller denominations we charge twenty-five cents additional for each bond. For the larger mortgages we charge fifty cents a bond. We charge one per cent. in disbursing interest; and we do not forego that charge. We feel that that is enough. We do not feel that the use of money for ten days is a compensation for our service.

In the disbursement of sinking funds we charge one-fourth of one per cent., and we find very little trouble in getting that charge. We feel that our certificate is worth something. It may not cost very much to write your name, you can possibly afford to do that for twenty-five cents; but you cannot afford to put your signature to a bond and make it cheap. It is worth something to the community. It is worth something to the party issuing the mortgage, and we have taken the decided stand that when the Union Trust Company of Indianapolis goes on a bond it is worth something and we want to be paid for it.

When it comes to the registration of stock, we have a charge (where it is less than $1,000,000) of $100. In some cases we charge a dollar for the registration of each certificate of stock. That is a special arrangement. But we do feel that this matter of charges is a very serious one and a very important one and we do feel that the New York trust companies owe it to the trust companies of the United States to set us a good example.

MR. BORNE: Mr. Chairman, may I again call your attention for a moment. The gentleman who has just spoken speaks of the cutting of prices on the part of New York trust companies, and then mentions his own schedule of prices. I may state that there has been no cutting of prices on the part of the New York trust companies to my certain knowledge for the past seven years. When I entered the business the price for small issues was one dollar a bond. That is what the company that the gentleman represents charges to-day. We still charge that. The price for large issues is fifty cents, that is the charge today; it was then and is now. There has been no cutting of prices. The Indianapolis company which the gentleman represents charges that.

Why should New York companies be referred to as cutting prices and doing business for nothing when we are charging the same as other com-

panies charge? Our fees are higher than those mentioned by the gentleman in many cases. I mention this with no particle of feeling whatever.

MR. THOMPSON, of the Bankers' Trust Company, New York: Mr. Chairman, regarding the uses of the New York city trust companies, and in emphasis of what Mr. Borne has just said, the question of fees is purely a matter of discussion. The established rate is one dollar a bond, and all the trust companies in New York attempt to maintain that rate and do maintain it on small issues. In the case of large issues, involving large amounts of money, of course the rates are necessarily reduced.

So, in the matter of counsel fees. In a very large issue, and a very simple proposition, a matter of local examination, the counsel fee may be waived. In case of a small issue I think it is universally charged.

Another thing that New York trust companies are careful about is the question of their moral responsibility. They realize to the fullest extent and are constantly studying that very phase of the question. I think that every New York trust company realizes fully that its name attached to a bond as trustee adds a certain weight to that bond, and in no case will it lend its name to any bond unless it has investigated the character of the people issuing that bond and unless it is entirely satisfied as to the good repute of the proposition. It realizes that its name may be used by people without character to aid in the flotation of their issue of bonds. And for that reason the utmost care is used that its name may not be improperly used, and that its name may be associated only with issues of the highest character.

I do not think there is any disposition on the part of the New York trust companies to cut rates or to take undue risks, or to minimize to themselves their responsibility.

MR. MCCULLOUGH: What is the charge for the reinvestment of trust funds?

A MEMBER: Two and a half per cent.

MR. HOBSON, Norristown (Pa.) Trust Company: Mr. Chairman, while it is very interesting to hear the prices that are charged by the trust companies in the different sections of the country, it would appear to me to be impossible to fix a set of fees which are applicable to all localities.

Now, we do not get the same price for the money we loan that you do in New York. We would starve, we in the country districts, if we had to loan money at the low rate it is loaned in New York; and perhaps we would starve if we had to receive the same amount per piece for bonds that we certify—for the reason that we do a different class of business. A comparatively small company like my own, in a comparatively small town, necessarily gets comparatively small mortgages and bonds to certify, and we can get a larger fee than we could if we were certifying and acting in competition with the larger companies of the larger cities. They charge more for other things. We are glad to get, perhaps, a bond to certify that one of the large companies in New York would not care to bother with. Now, the compensation for bonds for them and for us cannot be the same. It is very much like attorneys' fees. When it comes to attorneys' fees, when we hear what they receive in New York it makes our mouths water and we wish we were in New York to receive such fees. Even where we are we cannot receive the same fees from different people. As lawyers we charge different people different fees. I live near Philadelphia and make it a rule that when a man comes from below Norristown I charge him twice as much as I charge a man who comes from above Norristown. And they pay it more willingly too, far

more willingly. A man who comes from below Norristown would pay $100 quicker than a man who comes from above Norristown will pay $25. And so in matter of trust companies, while we feel that there is a minimum fee that should be charged, which we cannot go below, yet there is a wide field in the other direction, and I do not think it is possible, nor advisable, that we should all charge the same. At least, I would not want New York to fix the charges I am to get in Norristown, Pennsylvania. And on the other hand I have no doubt that New York would not bother with the little things which we in Norristown think are very rich and juicy.

So I feel, Mr. Chairman, that while this is edifying, and while it is instructive to get these statements of the different fees that are charged, that it is impossible to fix on a definite fee that is to be charged universally for the same kind of service.

MR. HEURTLEY, of Northern Trust Company, Chicago: Mr. Chairman, with the permission of the section I would like to read a letter which I have asked our counsel to write me, stating the substance of a conversation I had with him about the registration of stock by trust companies:

Arthur Heurtley, Esq., Secretary, the Northern Trust Company, City.

Dear Sir—Referring to our conversations about the registration of stock by trust companies, and answering your request that I make a brief written statement of my position, I send you the following:

1. The trust companies, yours included, are in the habit of placing upon certificates of stock the word registered with the trust company's name thereunder followed by the words, Agent to register transfers.

2. What does such registration mean? And under what moral or legal responsibility or liability does the trust company labor with respect to the same?

(a) In my mind, the answer to the first question is that such registration means and intends more than simply that the trust company, as agent for the company the stock of which is registered, has written some words on the certificate. It has been said in the past that the trust company simply acted as the agent for the other company, from time to time, in registering the respective certificates; and it seems to have been assumed, sometimes at least, that the trust company was under no responsibility to the person taking the registered certificates; but the company whose stock is registered has, if its affairs are honestly administered, no need on its own part for such registration. Obviously the chief purpose is to give the purchaser of the stock to understand that a third and disinterested party is looking after the stock issues. I do not doubt that the courts of some of the States, at least, will so hold.

(b) As soon as it is admitted that the registration is procured for the purpose of influencing third parties, it is very necessary that their rights be considered, for in such case there will be, sooner or later, decisions holding the registrar to financial responsibility.

(c) But even if it were certain that the trust company sustains no such relation to the purchaser of the registered certificates as to make it liable to such purchaser, in case the stock registered should turn out to be fraudulent, or otherwise unlawful, still no well arranged trust company would wish to stand under even the moral obligation in this respect.

3. If you call to mind the difference between the situation in the case of certification of a well arranged bond issue and the registration of stock, you will probably see what is in my mind more clearly.

(a) In case of the bond issue the bond itself provides that it shall not be valid until authenticated by the signature of the trust company to the trustee's certificate on its back, and every well drawn trust deed contains a complete copy of the form of the bond, and provides that no bond not bearing the trustee's certificate shall be entitled to any benefit of the trust deed. And it is therefore absolutely clear that the holder of an uncertified bond can have no claim against the maker of the bond, the trust company, or against the property covered by the trust deed. In other words, the record itself in the possession of the trust company is complete against any such claim.

(b) In case of the registration of stock the trust company ordinarily has not the records in its possession to show the facts upon which it acts, and if it did have the records there would still be questions of law and fact upon which their validity might be dependent; thus, ordinarily, you have not

before you the charter of the company naming the original amount of the stock, or, if the stock has been increased by statutory proceedings, you, ordinarily, have not before you all authenticated records of the steps relating and leading up to such increase, and further, if you had such records in your possession there might still be questions concerning the validity of the steps made to create the corporation, or the steps taken to increase its capital stock.

4. This subject always occurs to me every time I see a short form of certificate of registration. What the trust companies ought to have is, by general agreement, a uniform set of words which would express that that certificate was made for the purpose, solely, of expressing that the certificate registered, together with all other certificates bearing the registration of the trust company, did not cover a greater number of shares than the number named in the charter or last certificate of increase of stock of the corporation. Those words could be so drawn as to relieve the trust company from any responsibility relating to the validity of the charter or as to the validity of the proceedings to increase.

I have been told that there has lately been some discussion about this matter in New York, and also some litigation of interest upon the subject. I have not yet been able to ascertain what the facts were. You probably can find that out as quickly as I can.

Yours very truly,

NOBLE B. JUDAH.

It seems to me, Mr. Chairman, that if the members of the convention take the view of the importance of it that our counsel does it might be well to have this question referred to the executive committee and have a uniform form of certificate to be placed on stock certificates, also to be used on trustee certificates, on bonds, that would obviate a great deal of trouble in the future.

MR. GIBSON: I would like to recommend that this letter be made a part of the proceedings of the meeting and that the executive committee be directed to take such action as is suggested.

THE CHAIRMAN: Do you make that as a motion?

MR. GIBSON: Yes sir.

The question was taken and the motion was agreed to.

MR. DINKINS: I would like to inquire from the representative of the Old Colony Trust Company what action his company takes to protect itself in the case of a lost stock certificate.

MR. JAY: Simply the filing of a bond of indemnity.

MR. DINKINS: Do you mark the new certificate a duplicate of the old one.

MR. JAY: I could not tell you that.

MR. DINKINS: I wish Mr. Heurtley would state the custom of his company.

MR. HEURTLEY: In the first place we require a bond of indemnity. In the next place, across the face of the certificate issued in lieu of the one lost we have marked in red ink the fact that it has been issued in lieu of that certificate and that the original is void, and that the new certificate is void if the original turns up; and in case that certificate is lost we follow that up with another certificate in the same way.

MR. WADE: Mr. Chairman, I think this question would be better settled by referring it individually rather than collectively. I have heard New York charged with a great many sins, but I have never heard them charged with cutting anything except watermelons. In different sections we have different prices. But what I arose to say is that the hour is getting late and it seems to me we had better refer this to the executive committee, after all

of this very delightful discussion, for them to formulate some plan to take up at the next convention, and I would make that motion.

MR. HART, of Wheeling, West Virginia: If you will be kind enough to indulge me a few minutes, Mr. Chairman and gentlemen, I would simply say that it is my understanding that we all go in to get what we can; in other words, we try to make the punishment fit the crime. I would like to know now what New York understands by large and small. What we in Wheeling, West Virginia, might consider large would be small here. How large an issue does a fifty cent fee for bonds include?

A MEMBER: A million dollars:

MR. HART: We charge one per cent up to $500,000. After $500,000 it is made subject to a special contract. But in no case do we charge less than $100.

A MEMBER: I second Mr. Wade's motion.

THE CHAIRMAN: It has been moved and seconded that this matter be referred to the executive committee for report at our next annual meeting.

The question was taken and the motion was agreed to.

THE CHAIRMAN: The next business to come before us is the consideration of the recommendations of the executive committee.

The secretary read as follows: "The executive committee recommends the adoption of the following amendment to the by-laws of the section:

Amend first and second paragraphs of section one of the by-laws of the Trust Company Section so that the same shall read as follows:

Section 1. The administration of the affairs of the section shall be vested in a president and a first vice-president of the section, and an executive committee. From each state from which there shall be, at the time of annual meeting, ten trust companies which are members of the American Bankers' Association, there shall be elected a vice-president of the section. The vice-presidents of the section shall be invited to attend the meetings of the executive committee, and shall generally act in an advisory capacity to the executive committee, but shall not be entitled to vote. The executive committee shall consist of 15 members in addition to the president and first vice-president, who shall be ex-officio members of such executive committee.

The president, vice-presidents and members of the executive committee shall serve until their successors shall be chosen or appointed, but shall not be eligible for re-election for the period of one year after the expiration of their respective terms of office.

THE CHAIRMAN: What is your pleasure regarding the amendment proposed?

MR. HORTON: I would like to ask a question as to the number of States that will be entitled to a vice-president?

THE CHAIRMAN: The amendment provides for election of a vice-president from each State where there shall be at the time of an annual meeting ten or more trust companies members of the American Bankers' Association.

MR. HORTON: We have nine members in Alabama now. I think we ought to have a vice-president there, and if we had I think we could increase the membership in the American Bankers' Association.

THE CHAIRMAN: After consideration of the subject it seemed wise to the executive committee to place the number at ten. A letter was circulated some time ago asking about it and the result has been that there has been a great deal of work done in the different States to qualify and be able to have a vice-president. Now, Alabama will undoubtedly come in next year. Our list comprises twelve or fifteen States at present, and it seemed wise to put the limit at ten.

MR. HARVEY, of West Virginia: I would just like to make a suggestion

to my friend from Alabama. I come from the little State of West Virginia. The gentleman says that Alabama only has nine members and I would suggest that he had better get to work with his other eight members and get him some more members. The little State of West Virginia has a dozen members.

MR. LOSSITT: Mr. Chairman, this seems to resolve itself into a question of representation, largely, and while I do not for a moment intend to suggest anything that will interfere with the purpose of the executive committee, yet you will have under that amendment of the by-laws fifteen vice-presidents. You will have one from the great State of New York; you will have one from West Virginia; you will have none from Virginia, the mother of Presidents, and none from Alabama, heading the list of States———

THE CHAIRMAN: May I ask the speaker to pardon me? The list from which the speaker was reading was made up three weeks ago and since then the activity which has been referred to has occurred and many of the States have qualified and are entitled to vice-presidents.

(Cries of question, question.)

A MEMBER: I would like to ask if North Carolina has qualified?

THE CHAIRMAN: Yes, it has.

Upon motion, duly seconded, the amendment as read was adopted.

The secretary read as follows:

"The executive committee calls the attention of the section to the following recommendation of the committee on classification of legal decisions relating to safe deposit companies, etc.":

In the execution of the work your committee has found that new laws and legal decisions are constantly appearing affecting to a greater or less degree the trust companies conducting the safe deposit business throughout the country. We have also found that constant improvement and changes of methods of operation and of advertising are being introduced which justify the recommendation to the executive committee that the question should be submitted to the section of the appointment of a standing committee whose duty is shall be to render an annual report continuing the line of work undertaken by this committee.

The executive committee reports favorably on this recommendation.

MR. POWERS: I move that the recommendation be concurred in:

MR. JAY: And that the standing committee be composed of five members.

MR. POWERS: Yes.

The question was taken and the motion was agreed to.

MR. MCNAIR: In accordance with the recommendation of the executive committee I move that a committee of three be appointed by the chair, whose duty it shall be to endeavor to secure the enactment of laws in the several States prohibiting the use of the word trust in the corporate title of any corporation not a moneyed corporation, and chartered to do a trust company business.

SEVERAL MEMBERS: I second the motion.

The question was taken and the motion was agreed to.

THE CHAIRMAN: Gentlemen, I have a letter which I desire to read to you from our chirman, Mr. Breckinridge Jones.

"My Dear Mr. Williams: As much as I regret it, I will have to tell you that I cannot attend the approaching meeting of the Trust Company Section. You know the deep interest I have in the success of the section and my especial desire to attend this meeting and participate in the splendid work that the section has in hand. Yet I am sure that you and my good friends who will be at the meeting will appreciate that I am not now so situated that I

would be an acceptable companion on an occasion that has so many festive incidents.

"The immediate duties to my children, and the fact that the meeting is to be held just about the time when I will be arranging for the beginning of their school year, render it necessary that I should be with them.

"I beg that you will express to the members of the section, who may be present at the meeting, my disappointment at not being with them.

"With assurances of my cordial consideration, believe me, my dear Mr. Williams, your friend,

"BRECKINRIDGE JONES.

"St. Louis, Mo., September 2, 1904."

It was decided by the executive committee to present at this time to Mr. Breckinridge Jones, the founder and retiring chairman of the section, a loving-cup, which is inscribed as follows:

"To Breckinridge Jones, father of the Trust Company Section of the American Bankers' Association, in affectionate recognition of his devotion to the interests of the section. September 22, 1896. Septembebr 13, 1904."

His cup of sorrow is filled to overflowing, but we shall send this cup to him filled with the love and affection of his many friends here present, that its contents may mingle with that of the other to lessen its bitterness in some slight degree.

MR. WADE: Mr. Chairman and gentlemen, as you all know, Mr. Jones has met with a misfortune that seldom comes to the lot of man, in the sudden death of his beloved wife at a time in the heyday of life. I think it would be very fitting that proper resolutions of sympathy should be adopted by this convention through a committee to be appointed for that purpose, properly engrossed and entered, and to that purpose I move a committee of three be appointed with the acting president of the convention as the chairman of such committee.

The motion was seconded by Mr. Powers, of Kentucky, and a number of other members.

The question was taken and the motion was unanimously adopted.

THE CHAIRMAN: I wish to ask Mr. Wade and Mr. John Skelton Williams to join me in this expression of your sympathy.

The nominations and elections of officers are now in order.

MR WADE: Mr. Chairman, in accordance with the custom that has prevailed, I rise to nominate a man who unfortunately through an accident to his wife was prevented from attending this convention. I refer to Mr. Potter, of the American Trust and Savings Bank, of Chicago. I wish to nominate him for President.

The nomination was seconded.

MR. YOUNG: Mr. Chairman, I move that the secretary be instructed to cast the ballot of the section for Mr. Potter as the President of the section for the coming year.

It was so ordered and the secretary cast the ballot accordingly.

THE CHAIRMAN: Mr. Potter is elected president.

Nominations for first vice-president are now in order.

MR. ENRIGHT: Mr. Chairman, it has been customary to move up our officers one step. We have been served as chairman of the executive committee by a gentleman of ability, who has been a tireless worker and most intelligent in his efforts. I wish to nominate that gentleman for first vice-president, Mr. Clark Williams.

A MEMBER: I move the secretary cast the ballot.

The motion was numerously seconded, and was unanimously agreed to.

THE SECRETARY: Mr. Clark Williams is elected vice-president.

THE CHAIRMAN (Mr. Clark Williams): I much appreciate this honor, gentlemen. It has been a great pleasure to have associated in the work of the section with the members of the executive committee; it is a great regret to me that they are now retiring. I feel, too, that no one should accept office in this section of the American Bankers' Association unless he feels a keen desire for the success of the section and is willing to contribute as much as is necessary of his effort and time to accomplish the end for which we are all working. Gentlemen, I thank you.

I will read the names of States which under the amendment to our

EDWIN A. POTTER, *Chairman Trust Company Section.*

articles of association or our by-laws are entitled to the election of a vice-president. I will also give the number of members that each State has:

California, 14; Connecticut, 11; Illinois, 30; Indiana, 15; Kentucky, 10; Maine, 10; Maryland, 13; Massachusetts, 21; Missouri, 12; New Jersey, 41; New York, 71; North Carolina, 10; Ohio, 29; Pennsylvania, 109; Rhode Island, 11; Tennessee, 12; Virginia, 10; West Virginia, 11.

In order that we may save time I suggest that vice-presidents be nominated. I hope the gentlemen from the different States have caucused on this subject, as was suggested the other day, and that the nominations be made from different States and acted upon at one time. Of course if more than one nomination is made from a State it will be necessary to resort to the ballot.

An informal recess of five minutes was taken at this point to enable the States to get together on the nomination of vice-presidents.

At the conclusion of the recess the section reassembled.

THE CHAIRMAN: We will hear nominations from the State of California.

MR. BROCK: I present the name of J. Dalzell Brown, Vice-President of the California State Deposit and Trust Company.

THE CHAIRMAN: Connecticut.

A MEMBER: I present the name of F. W. Morris, of the Bridgeport Trust Company.

THE CHAIRMAN: Illinois.

A MEMBER: I nominate Mr. E. J. Parker, of Quincy, Treasurer of the Quincy Loan and Trust Company.

THE CHAIRMAN: Indiana.

MR. HEURTLEY: I nominate J. H. Holliday, President of the Union Trust Company of Indianapolis. I have been requested to present his name by the Indiana delegation.

THE CHAIRMAN: Kentucky.

MR. POWERS: I take pleasure as the only representative here from Kentucky, in nominating L. W. Botts, Vice-President of the Branch—

MR. WILLIAMS, of Virginia: I will nominate Col. Powers.

SEVERAL MEMBERS: I second the motion.

THE CHAIRMAN: Has there been any second to the nomination of Mr. Botts? If not the nomination of Col. Powers will stand, as it has been seconded.

Maine was called, but no one answered.

Maryland. (No response.)

Massachusetts.

A MEMBER: N. W. Jordan, President of the American Loan and Trust Company of Boston.

THE CHAIRMAN: Missouri.

A MEMBER: William G. Lackey, Trust Officer of the Mississippi Valley Trust Company, St. Louis.

THE CHAIRMAN: New Jersey.

A MEMBER: William C. Heppenheimer.

THE CHAIRMAN: New York.

A MEMBER: I feel that perhaps more than a mere nomination is necessary in this case. There have been several meetings and there has been occasionally evinced a lamentable lack of interest on the part of the Presidents of some of the largest trust companies in our city, with one exception. That one exception has been chosen to represent us. I take pleasure in nominating the President of the New York State Trust Companies Association, Mr. George W. Young.

THE CHAIRMAN: North Carolina.

A MEMBER: Mr. W. E. Allen, Secretary and Treasurer of the Greensboro Loan and Trust Company, North Carolina.

THE CHAIRMAN: Ohio.

A MEMBER: The delegates from Ohio have unanimously chosen Mr. H. P. Mackintosh, President of the Guardian Trust Company, of Cleveland.

THE CHAIRMAN: Pennsylvania.

A MEMBER: As Pennsylvania has the largest delegation it seemed best for us to choose the largest man we could have, and I place in nomination Mr. F. G. Hobson, Treasurer of the Norristown Trust Company.

THE CHAIRMAN: Rhode Island.

A MEMBER: I nominate Mr. J. Edward Studley, President of the Manufacturers Trust Company, of Providence.

THE CHAIRMAN: Tennessee.

A MEMBER: T. R. Preston, of the Hamilton Trust and Savings Bank, of Chattanooga.

THE CHAIRMAN: Virginia.

JOHN SKELTON WILLIAMS: I nominate Isaac T. Mann, President of the Radford Trust Company, of Radford, Virginia.

THE CHAIRMAN: West Virginia.

MR. HART: There are only two of us here and there is some little contention about it. I had hopes it would be unanimous. I wish to nominate Mr. H. C. Harvey, Cashier of the American National Bank and Trust Company of Huntington, West Virginia.

MR. HARVEY: And I wish to place in nomination, Mr. Hart.

THE CHAIRMAN: We shall take that as a second to the first motion.

(On motion of Mr. Enright of St. Joseph, Missouri, the Secretary was directed to cast a ballot of the convention for those gentlemen nominated.)

The motion prevailed.

Thereupon the secretary cast the ballot of the section for the gentlemen nominated.

THE CHAIRMAN: The gentlemen whose names you have heard are therefore elected vice-presidents.

MR. DORRANCE, of Providence, Rhode Island: Mr. Chairman, I move that the executive committee when elected have authority to fill the position of vice-president from those States from which no nominations have been received, upon recommendation from the States if they can obtain that recommendation.

The motion was seconded and adopted.

THE CHAIRMAN: The next is the election of two members of the executive committee.

MR. BORNE: I move a committee of three or five be appointed by you to bring in the names of gentlemen who are placed in nomination.

The motion was seconded and adopted.

THE CHAIRMAN: I would appreciate it very much if you, Mr. Southard, would act on the committee and you, Mr. Williams, and Mr. Gubelman; Mr. Vance, and Mr. Edmunds of the Union Trust Company of Albany. Now, if you gentlemen will kindly retire.

Gentlemen, while this committee is out if there are any more remarks to be made on the questions of our discussion, if we can limit those remarks to the time of the return of the committee, we shall be very glad to use the intervening time.

MR. STUDLEY: I move that the many thanks of the Trust Company Section of the American Bankers' Association be and hereby are extended to the New York members of this section for their very generous hospitality to the section up to date.

The motion was seconded and unanimously adopted.

THE CHAIRMAN: We are now ready to receive the report of the committee.

MR. WILLIAMS, of Virginia: I have been asked to make the following nominations: 1907—A. A. Jackson, Vice-President of the Girard Trust Company of Philadelphia; Philip Babcock, Colonial Trust Company, New York; W. W. Mackall, President Savanah Trust Company, Savannah, Georgia; F. B. Gibson, Vice-President International Trust Company, Denver, Colorado; Pierre Jay, Old Colony Trust Company, Boston, Massachusetts; 1906— F. H. Fries, President Wachovia Loan and Trust Company, Winston-Salem, North

Carolina; R. G. W. Bright, President Ohio Trust Company, Columbus, Ohio; 1905—P. W. Kauffman, Second Vice-President Fidelity Trust Company, Tacoma, Washington; C. B. Hart, President, Wheeling West Virginia. for the gentlemen named.

Upon motion the secretary was directed to cast the ballot of the section

The secretary cast the ballot of the section in accordance with the above instructions.

MR. ENRIGHT: Mr. Chairman, I will submit a paper here which is very short.

Whereas, There appears to be an increasing tendency toward the use of what is known as voucher checks. These checks are complicated in form, irregular in size, inconvenient to handle, and contain a mass of details that should not be merged into a bank check. A bank check should be simple in form, definite in its instruction of payment, and absolutely unconditional. Delay in handling, costing time, increased chance for errors and possible loss are objections alone sufficient to cause bankers to protest against the use of this new form of check. To the depositor, however, they present some attractive features, therefore it is not surprising that the imitators, expert accountants, and those who incline to detail, take up this combined check, receipt and voucher, each one adding some detail to suit his fancied need and individual idea until the check of the future may resemble a combined warehouse receipt, bill of lading, bill for merchandise, and countersigned order on the U. S. Treasurer.

There are so many features contained in these vouchers that the tellers and clerks handling them have not sufficient time to properly determine their negotiability or non-negotiability or other necessary points to be passed upon, in safely handling the items that pass through the banking houses.

Therefore, Mr. Chairman, I move that a committee of five be appointed by the chair to prepare a standard form of bank check and to define the limitations as to the matter that may appear on the face of the check. Also the limit of its size to insure convenience in handling, and when this has been done, the entire subject to be submitted to the main body of this association for its consideration and action."

MR. WADE: I move to refer this to the executive committee with power to take this into consideration and take such action as they may deem best.

A MEMBER: I second the motion.

The question was taken and the motion was agreed to.

Thereupon at 4:50 P. M. the Trust Company Section adjourned.

SAVINGS BANK SECTION.

The Savings Bank Section met at the Waldorf-Astoria, New York, September 13. The chair was taken at 1:15 o'clock, P. M., by A. C. Tuttle, Treasurer of the Naugatuck Savings Bank, Naugatuck, Conn., who after having formally opened the proceedings, delivered the following address:

ADDRESS BY THE CHAIRMAN, A. C. TUTTLE.

Gentlemen, Delegates to the Meeting of the Savings Bank Section of the American Bankers' Association:—It is a source of great pleasure to see so many delegates present to-day, and I extend to you my most hearty greetings. It is a long journey that many of you have to make, and that makes your attendance all the more of a pleasure to me.

Probably the feeling uppermost in our minds at this moment is one of self-gratulation at the wonderful growth, high position and the organization of this section of the most powerful bankers' association in the world. The Savings Bank Section was organized two years ago at New Orleans under the leadership of the distinguished gentleman since become Governor of

CHARLES E. SPRAGUE, *Chairman.*

WM. HANHART, *Secretary.*

EDWARD E. DUFF, *Vice-Chairman.*

G. BYRON LATIMER, *Chairman Executive Committee.*

OFFICERS OF SAVINGS BANK SECTION.

Ohio. But, like Minerva, it had no infancy, but was created in the fullness of power. During the first year the membership of the section was nearly five hundred. In the course of the past year it has considerably increased and now numbers over sixty per cent. of the Savings banks in the country.

Moreover, our meeting should be of interest to the nation, since the people have confided to our care about three billions of their savings. The effect of our decisions can be felt in nearly every household in the land. It is certainly fitting that we should meet in this city whose banks have thirty per cent. of the country's savings.

It is probable that bankers always think more of the dangers, real or imaginary, than of the opportunities of their position. The spectres of dishonesty and inefficiency beset our path at every turn. Our dreams are perhaps of possible Government Savings banks.

Dishonesty and inefficiency, however, do not concern us as an organization. For while we may rightly take measures to make dishonesty more difficult and integrity more easy and to increase the efficiency of banks in transacting business with one another, these matters concern individual bankers. To be sure, dishonesty is dishonesty everywhere, but as regards efficiency, the conditions of banking vary with the locality.

Government Savings banks are hardly more than a dream—though an unpleasant one. It sems impossible that any sane legislator would introduce a bill into Congress authorizing them. Certainly, if anyone had the hardihood to do it, the bill would meet with an opposition that would make the opposition to the United States Bank in Jackson's time sink into insignificance. Aside from the fact that such a bill would jeopardize one of the props of the Government, there is a widespread and most salutary feeling averse to the Government engaging in any business enterprise.

If we feel or fear a loss of business, perhaps the best thing to do is to follow the lead of other forms of business and advertise with intelligence and as widely as circumstances will allow and wisdom dictate.

CHANGE IN THE CHARACTER OF SAVINGS BANK INVESTMENTS.

One matter deserving of careful thought by us is the change in the character of our investments. Government bonds, at one time an important item in our reports, now scarcely appear. Such change has been necessary in order to maintain our rates of interest, but it is an open question if the new investments have always given to depositors that security that they should have.

We can discuss to good advantage the laws relating to Savings banks. There has been for some years a demand for a law that shall be in force in every State. Such a law cannot be passed by the Federal Government, and the task of framing a law that could pass each Legislature and would be suitable for the peculiar conditions prevailing in each State is appalling. Yet we must realize that the Savings bank laws cannot be too strict. As the purpose of Savings banks is to care for the money of people whose savings are so small that they cannot be invested profitably or who do not have the ability to invest them wisely, our books should be open for any investigation and our reports cannot be too clear or full.

But in spite of the dangers that may be about, we must derive from the past history of Savings banks most happy auguries for the future. When we remember that from 1898 to 1903 the deposits in Savings banks in the country increased nearly nine hundred million dollars, we shall feel little cause for alarm.

Several gentlemen have kindly consented to prepare papers on interesting matters connected with our business which are to be used.

In conclusion, I would thank all of you who have assisted me during the year, and express the hope that this meeting may tend to make each Savings bank in the land what it should be—a solid rock in the bulwark of the Republic.

The Chairman: We will next hear the report of the executive committee by its chairman, Mr. G. Byron Latimer, Secretary of the Irving Savings Institution, New York.

Report of Chairman of Executive Committee.

The executive committee respectfully reports, that since the last meeting of the section held at San Francisco, we have received from the executive council of the association an appropriation to cover the expenses of the section, a detailed report of which will be given to the secretary of the section.

During the year we have enrolled sixty-eight members, making our total membership 616. At the last meeting a resolution was passed recommend-

ing our members to urge the formation of a State Savings bank association in each of the several States, and following out this suggestion the Iowa Bankers' Association in convention at Des Moines, June 15 and 16 referred the matter to their executive council with request to report at the next meeting. I am glad to notice this feeling, and hope the matter will be taken up in each State, so that before long the limit of State Savings bank associations will be reached only because there are no more States in which to form them.

Our Savings Bank Association in New York State has done much to help legislation favorable to Savings banks, and defeat unfavorable legislation; I would urge, in forming such associations, the appointment of a committee to look after the legislative branch of the work. It matters little whether we are mutual or capitalized Savings banks, we are all the custodians of the savings of thrifty people, and should have but one ideal, that is to guard with jealous care their deposits, and be ever mindful of the trusts reposed in us; being always ready to return principal, with such interest as conservative management will permit.

During the year death has visited our executive committee and it becomes my sad duty to announce the death of Mr. Fred Heinz, late President of the Farmers and Mechanics' Savings Bank, of Davenport, Iowa. I would move you that the secretary be instructed to write to the family of our late associate extending our sympathy in their bereavement.

G. B. Latimer, *Chairman Executive Committee.*

Chas. B. Mills, Clinton, Ia.: As a member of the American Bankers' Association and a delegate from Iowa, I had prepared a resolution to the same effect as that embodied in Mr. Latimer's motion, and I have the same in my pocket. It is now my privilege to second that motion.

The Chairman: It has been proposed and seconded that the secretary be instructed to write a letter of condolence to the family of the late Mr. Fred Heinz, expressing our sympathy in their bereavement. Those in favor of our doing so, will please say aye.

The motion was adopted unanimously.

The Chairman: I will now ask the secretary of this section, Mr. William Hanhart, to favor us with his report.

Secretary's Annual Report.

Mr. Chairman and Gentlemen of the Savings Bank Section—I beg to report that the membership of this section is now 616, showing an addition of 68 members during the year. While this is gratifying as showing an increased interest in this section by the Savings banks generally, yet we should certainly have more members; there are now over 1,000 Savings banks in the United States, and it is desirable that every one of them should belong to the American Bankers' Association and be enrolled in our section.

To forward this object I would propose that the chairman appoint one delegate from each state, who would be particularly entrusted with the task of securing new members in his territory; I would also urge upon you the desirability of every member here present endeavoring to get one or more additional members; should any of you gentlemen know of a Savings bank in your vicinity not a member of the association, see or write to these friends and neighbors, urging them to become members of the American Bankers' Association and join our section; constant individual efforts will surely produce best results. The officers of our association are doing their utmost in this direction, but they must have your individual help to be successful.

The expenses of the section, which were met by special appropriations by the executive council, have been as follows:

Proceedings of San Francisco Convention	$193.70
Printing, stationery, typewriting, stamps and other expenses	790.50
Making a total of	$924.20

for which bills and vouchers were examined and audited by the chairman of the executive committee.

Respectfully submitted,
WILLIAM HANHART, Secretary.

THE CHAIRMAN: If there is no dissentient voice, I propose that the report of both Mr. Latimer and Mr. Hanhart be accepted and placed on file.

Agreed to.

DAVID HOYT, of Rochester, N. Y.: I offer the following resolution:

Resolved, That the chairman appoint one delegate from each State who will be particularly entrusted with the task of getting new members in his territory.

This resolution, having been duly seconded, was put to the meeting and carried unanimously.

THE CHAIRMAN: The next point on our order of business is the report of the committee on uniform laws, but owing to the unfortunate demise of Mr. Fred Heinz, we are unable to present such report, and we will have to defer the receipt of said report until the next meeting of the convention.

LUCIUS TETER, of Chicago: I wish to offer the following as an additional by-law:

Section 7—The chairman of this section, and ex-chairman, if still members of the association, shall be members ex-officio of the executive committee.

I present this motion and move its adoption.

This motion was seconded.

THE CHAIRMAN: Gentlemen, you have heard this motion, which has been proposed and seconded. If adopted, it will add section 7, to the by-laws, as you will notice. Those who are in favor of it, will please say aye.

Agreed to.

THE CHAIRMAN: We now come to the reading of the papers which have been prepared for the consideration of this section. The first one is on "Postal Savings Banks," by the Hon. Willis S. Paine, ex-Superintendent of Banks of the State of New York, which I will ask the author to read.

POSTAL SAVINGS BANKS.—ADDRESS OF HON. WILLIS S. PAINE, EX-SUPERINTENDENT OF THE BANKING DEPARTMENT OF THE STATE OF NEW YORK.

That a proposal for establishing postal savings banks for the people should find favor in many quarters, is no occasion for surprise. It would be remarkable if it were otherwise. As in the minds of some the remedy for all the troubles that perplex mankind is a statute—as if all conditions could be met by legislative enactment—so in the view of many, whenever anything savoring of the character of a public benefit or supposed to promote the public convenience, is proposed, at once the proposition is hailed with favor; interest is aroused and the cry goes forth, "By all means, let us have it, and let the Government establish it." This, too, is seen in a republican form of government, and strikingly so when it is proposed to establish postal savings banks. And yet the proposition is nothing but paternalism pure and simple.

PATERNALISM THE ROAD TO SOCIALISM.

Paternalism is the road that leads to socialism. And this paternalism is the product of absolutism, not of a democracy or a republic. It is what autocracy not only offers, but upon which it insists. Russia, Germany, Austria—these are autocratic, paternal governments—these are the governments which, if they could, would take charge of the general affairs of the people, constituting them its wards, just as this country has taken charge of the Indian, and with what results the unhappy history of the red men in this country forcibly illustrates.

It is less than a century ago that one of the greatest men who ever sat in the President's chair in Washington, declared that Government to be the best which governed the least, a statement which, outside the discredited Federalists, received the approbation of the country.

To-day, however, there are not wanting evidences that the old Federal spirit still exists, although repudiated by the people, when Jefferson and Madison and Monroe were potent forces in American life, and declared themselves against governmental supremacy. In various ways what we denominate "the Government" is troubling itself concerning matters which should be handled by the people and in their own way.

A proposal to establish postal savings banks is part and parcel of the theory that a Federal Government should regulate the affairs of the people, reducing the powers of the State and limiting the expression and activities of the individual to the smallest possible compass? It is true we have banks that are called "National;" but these were established to meet the conditions resulting from the stress of war. These banks, however, are managed as they should be, by their officers, and not by a bureau official in Washington. It is proposed, nevertheless, to differentiate savings banks from all others, and put their management in the hands of untried Government officials. Yet, when we look at the matter in Bacon's "white light," we fail to see that any necessity or proper demand exists for such peculiar institutions. Certain it is that where savings banks are needed they can be readily supplied; demand always creates supply, and to this rule, when normal conditions prevail, there is no exception. Savings banks are needed in this Commonwealth of New York, and we have a result. It is not easy to see that New York requires the establishment of rival postal savings banks, controlled by an innumerable army of office-holders appointed from Washington. The people familiar with the business of banking can best establish and manage their own banks, as they do now—National, State savings.

Those who are friends of the paternal system are fond of pointing to the post offices of the country as so many illustrations of sucessful governmental control. They ignore the fact that our postal service is far from being ideally conducted. Apart from the unsatisfactory postal rates prevailing, at the present time, the suggestion is offered that if Government officials were good postal managers, perhaps we should not see the postal business of a Commonwealth—well populated and its people concentrated—conducted every year at a loss, as it is.

But passing this phase of the subject, let us notice some matters more directly bearing upon the question of postal Savings banks. And first it is alleged as a reason for their creation that the Government would be providing through the various post offices of the country, at a small expense, places easily accessible for the safe accumulation of the surplus earnings of the thrifty. At one time a theory was advanced in this connection that the Government would thereby be put in possession of funds at a low rate of interest; but this view is not now the dominant one. In point of fact the plan proposed would make the average postmaster a financial agent of the Government. It would involve considerable expense, such as other banks are subject to; and we know that these expenses are not light. If Savings institutions have not been created in many localities, it is because the money is needed in various local enterprises, such as trolley lines, mills, commercial and building enterprises, where small as well as large sums are invested, bringing 7 or 8 per cent., and sometimes even more. Local banks, carrying the local spirit, are a far greater benefit to a locality than postal Savings banks appealing to the people outside of all local interests.

The plea that because postal Savings banks have met with success in England they should, therefore, be introduced here, is scarcely entitled to serious consideration. England is a "garden spot" of 50,000 square miles, whereas the United States contains an area of over 3,000,000 square miles and is territorially more than sixty times larger. The two cases are not parallel.

In the House of Commons, Burke once declared that the only way of judging the future was by the past; if we should apply this rule to the establishment of postal Savings banks in this country, the inference would not be wholly satisfactory.

The Freedman's Savings and Trust Company was created by Federal law, March 3, 1865, with authority to establish branches. The following May the headquarters were located in New York, and numerous auxiliaries, most of which, presided over by commissioned and uniformed officers, were instituted, more especially throughout the Southern States. The pass-books of this Freedman's Savings and Trust Company contained the following statement: "The Government of the United States has made this book perfectly safe."

The liabilities of the concern at the time of its failure were over $3,037,560, payable to 62,242 claimants. The Government, by purchasing the building owned by the bank at a high price, and in other ways, has aided in increasing the assets. The last and final dividend declared makes the total payment to its creditors only 62 per cent.

Undoubtedly, Congress was derelict in not exercising proper supervision over its affairs during its existence of nine years. The report of the Commissioners appointed by Congress, to make an investigation, contains, among other statements, the following: "A more perverted arrangement could scarcely have been devised by human ingenuity if the design had been specially directed to secure the transactions of the institutions." Comptrollers of the Cur-

rency have repeatedly recommended that Congress should make provision for the payment of the 38 per cent. stil due depositors; but no payment is yet forthcoming.

Such results may not follow the establishment of postal Savings banks. The effect, however, of putting deposits in the keeping of a body of officeholders would be hazardous, at best, and would not promote the efficiency of public service.

It has been said that the people must be taught to save. It has yet to be shown that they must or can acquire this habit by the establishment of a peculiarly governmental institution, any more than they can acquire their religion in this way. The people are to be taught to save, not by establishing official depositories, but by cultivating those habits, the practice of which conduce to thrift. It was not in postal Savings, but in their stockings that the French people had their savings deposited when the Franco-German war occurred; needless to say, if the habit of frugality had not already existed and was not inwrought in the very fibre of the French people, their savings would not have been available at the critical time as they were.

In this country, to a greater extent than elsewhere, the laborer builds his own house, acquires land that he may write "landowner" after his name, and is ready to invest in small business enterprises. Indeed, it is this opening up and development of our country, still new, which is going on all the time, causing it to bud and blossom as the rose, that employs the money of men throughout the land. These men do not put their money into Savings banks, but into remunerative local projects and into houses, which are made more beautiful every year. Perhaps such a use of money is as stimulating and beneficent as investing it in deposits in postal Savings banks, returning the investor two cents on the dollar per annum. Take, if you will, an illustration from extremes; between the man employing his money in these and other enterprises and the mere hoarder, most people will prefer the former. In this relation one plea put forth in behalf of the establishment of postal Savings banks may be noticed. An advocate of their creation recently declared the people of the States and Territories farther West to be not less industrious and productive than those of New England. The country was newer, its soil richer, its mineral resources infinitely greater. Why, then, are there so few Savings banks in these localities? His reply is that "it has been too much a matter of easy come and easy go." If there is such a thing as "begging the question," we have an example of it here. It is true that no people are busier, more self-reliant, than the people of the newly-settled West. It is these very activities that keep money trolling along with labor, with opportunity, and prevents it from being placed in Savings banks. Nevertheless, the Savings bank deposits are increasing at the rate of $200,000,000 annually, and now aggregate over $3,000,000,000. When the conditions of the West and South parallel those of the East and North, Savings institutions will come as a necessary consequence; it is conditions that create a demand for them. They cannot be successfully established from the outside when not required. When they are needed they will be supplied as now, by individual enterprise and without the help of the Government.

A strong objection to the establishment of postal Savings banks is that it invades the banking field with the argument that you cannot trust the people to care for their own. "Trust the people," said Jefferson; "trust the people," said Lincoln. We cannot trust the people, say these advocates of a Government Savings bank; and they say this notwithstanding the fact that the people manage their more than five thousand National banks with entire success. It was on this very principle of trusting the people that the National Banking Law, the outgrowth of years of trial of different systems of banking, was perfected, and the fact that 314,967 of our people own stock in National banks, the average holding being twenty-seven shares approximately, attests the confidence they have in the existing system. In addition to National banks and the existing Savings banks there are State banks, private banks, trust companies, omitting the insurance companies, which gives one of these institutions to every 4,410 people; the per capita of capital being $13.30, and of deposits $126.90, the latter figure including about $37.50 in the Savings banks.

It is, perhaps, not irrelevant in this connection to state that should the proportionate rate of increase in the banking power of our country continue during the next ten years, at the same rate as it has during the past ten years, the result will be that in the year 1914 the banking power of this country will exceed by over one thousand million dollars that of all the other nations of the world combined.

One of the arguments used by the advocates of the postal Savings banks is that in time of panic the small Savings depositor, from his very ignorance, is the one first to take alarm, and withdraw his funds from a banking institution, which a better educated man knows to be safe; therefore, we must have

postal Savings banks where the ignorant depositor feels that his money is secure. Passing by the question whether a sound argument can be based upon the exceptional and unusual, the question arises whether it is desirable to establish postal Savings banks to the discrediting of other financial institutions which the well-educated man knows to be safe? What is such a position but an argument addressed to ignorance? The same argument, carried to its logical conclusion, would substitute a great Federal bank, at Washington, with branches all over the country, and as a consequence the retirement of the existing National and State banks. The people will be as slow to assume the one position as the other.

It is remarked by a distinguished gentleman, who is an officer of a large fiduciary institution that the "saving habit" is, of necessity, rapidly increasing the working capital of the country, giving impetus to business enterprise, and making a fair and profitable return to the laboring classes for their small "investments." This is all true enough, but what the statement needs, as an argument for postal Savings banks, is a bridge connecting the "saving habit" with postal Savings banks and with these only. No such bridge has yet been constructed. It is emphatically a "pons asinorum" which may return to plague its inventor. Intended as an argument for the postal Savings banks, it is really a powerful plea for banks as they are, where savings are held—some of them National banks, some State, some trust companies, and some Savings banks. Assuredly it is a far cry from "the saving habit" to postal Savings banks, so far, indeed, that it falls upon an almost echoless shore.

FEDERAL INTERFERENCE DEPRECATED.

And now, in conclusion, consider a phase of the question which has been only lightly touched upon here, and which merits more serious consideration than it has received from the public at large—I refer to the constitutional view of the subject, and by that I mean the view which has regard to the fundamental principle underlying our government, and which makes that government subject to the people, and not dominant over them. That principle, often violated in the past, cannot be too frequently disregarded but that serious results will follow. In the earlier history of the country the tendency was against the government assuming any form of paternalism; and the principle is the same whether you create postal Savings banks, run government railroads, as in Continental Europe or establish government gas and electric plants. It is the basic principle that determines the character of a measure, nor ought we, for a moment, allow ourselves to be diverted from this position because a proposed enterprise claims to embody a beneficence which is more seeming than real. The American, and his government ideals are separate and distinct types from those supplied by any other country. The American asserts his right to individuality of action; he wants his government to do just as little for him as possible; and to be his agent, not his master. He ever reserves the right of self-development, and realizes his ability to eradicate any evil that may imperil his political, social or industrial system. In fine, he rigidly adheres to the fundamental principle that the government stands for progress in the individual, and that the evolution, resultant from the Titanic struggles of his pioneer ancestors and the statesmanship of his legislators, is not a system that dictates or restricts free action, but a government "of the people, by the people and for the people." It has been well said that if a government owes anything to its citizens it is the fostering of self-reliance. If there is any one quality that characterizes the American people any more than any other people it is this characteristic quality, which has given us a humble rail-splitter for President.

It is this spirit that needs to be fostered in every department of public service. We need not less but more self-reliance. We need not less but more trust of the people by the people. We need not less but more development of the individual. He needs opportunity to work out his own salvation, and not to be taught to look for it to others, least of all to the bureaus of officials, the servants whom we miscall the government. We need not more but less paternalism. Adopting this principle as our guide of action, we shall leave people, as now, familiar with banking, to conduct a banking business, amenable, of course, to proper safeguards. If the people need Savings banks we will not go to governments of Europe for our exemplars, but we will go to the people, who have settled many problems in their national life of one hundred and twenty-eight years, and who have shown the autocratic paternal governments of Europe, how much better they can govern themselves than put themselves under the dominion of men no better than others of our body, and who do not possess a monopoly of wisdom for governing the world. When States and cities and towns need railways, the people build them; when water is required for public utility, the people speak and the fountains flow; when Savings banks are needed in the geographical limits not now having them, the

people will provide them, and let us hope, without going to postmasters or to other government officials for them.

In a word: The American people are not yet prepared to confess their inability to manage their financial enterprises, nor will they, as I believe, allow their chosen representatives to impose upon the country a series of postal Savings banks for the alleged better public safety. Such action, if it may not be termed a reflection upon their integrity, would be a confession of their own inability.

A DELEGATE: I move that the sentiments expressed by Mr. Paine be made the sentiment of this meeting and that this body approve the same.

Carried unanimously.

THE CHAIRMAN: Next follows the paper by Mr. P. Le Roy Harwood, Treasurer of the Mariners' Savings Bank, New London, Conn., entitled "Publicity for Savings Banks":

PUBLICITY FOR SAVINGS BANKS.—ADDRESS OF P. LE ROY HARWOOD, TREASURER MARINERS' SAVINGS BANK, NEW LONDON CONN.

Of the four classes of Savings institutions, which are the trust company —the National or State bank with a Savings department—the stock Savings bank and the mutual or trustee Savings bank—the latter comprises a large proportion of the whole number and has more than seventy-five per cent. of the aggregate deposits. It is the original and only true Savings bank and occupies a unique position in the banking world. It is of a quasi-benevolent nature and only in late years has it begun to receive the credit which is its due. President McKinley, in his famous Buffalo speech, said: "We are furnishing profitable employment to the millions of workingmen throughout the United States, bringing comfort and happiness to their homes, and making it possible to lay by the savings for old age and disability. That all the people are participating in this great prosperity is seen in every American community and shown by the enormous and unprecedented deposits in our Savings banks. Our duty in the care and security of these deposits and their safe investment demands the highest integrity and the best business capacity of those in the charge of the people's earnings."

The operations of the mutual bank are practically confined to New England, New York, Pennsylvania, Delaware, Maryland and New Jersey, though there are occasional examples scattered through the middle West and a number in California. Probably less than ten per cent. of these institutions spend any money whatever upon advertising or publicity in any form. Up to late years the trustee bank, which is a more correct title than mutual bank, has been content to take such moneys as have come its way, making no great effort to stimulate deposits, though showing a moderate growth from year to year. Within a comparatively short time competition has sprung up, and Savings bank officers have had the fact forced upon their attention that Savings banks are losing their hereditary rights through the ambition and modern methods of other banking institutions. They have had opportunity to observe the trust company and the National bank rolling up in an incredibly short space of time savings deposits of surprising amounts, and, strange to say, during this period of rapid growth on the part of the competitor their own deposits have continued to increase. The logical conclusion of thought upon this subject is that as nothing has been taken away from the Savings bank the competitor has found a way, mysterious or magic though it be, to create deposits. Lawson in "Frenzied Finance" discriminates between "real" and "made" dollars. Here, however, is an example of "made" dollars which are "real." In short, the competitor has assumed the duties of the Savings bank—not from a philanthropic motive but for the purpose of earning dividends for stockholders.

The mutual or trustee bank is chartered by the State as a practical philanthropic enterprise, and as a rule its business is carried on by a body of the best men of the community, who receive no pecuniary reward for their services, and need not necessarily be depositors in the bank. The mission of the bank from its beginning in 1816 has been to promote thrift and frugality among the working classes, by educating the workingman to save a part of his earnings and deposit it in a safe place where it will be increased by rea-

sonable dividends. The duty of the bank is to educate, and while it is at all times an excellent object lesson to those who know of it, its beneficent purpose, conservative conduct, and practically absolute safety are unknown to thousands. Further, it has done comparatively little to stimulate systematic saving, which is the basis of many a fortune, and which, aside from the money accumulated, develops habits of inestimable value. We read of the thousands of foreign laborers who come to our shores and decry the fact that they do not rapidly assimilate our customs and become good citizens. A Savings bank book has been the means of making a more conservative and desirable citizen of many such. Our excellent public school system lacks one fundamental; a thorough training in the management of resources. My friend, Mr. J. H. Thiry, is doing an excellent work along this line through his system of school savings funds. The competitors of the Savings bank have been quick to seize upon this neglected duty and opportunity, and their growth has been the result of excellent work along the line of publicity.

One reason why the mutual banks have done so little is that there is a feeling on the part of a large proportion of officers that they have no right to spend money for any but strictly operating expenses. I maintain, however, that a reasonable expenditure for purposes of publicity is a necessary expense if the bank intends to do what is expected of it.

We hear occasionally of a little group of men who are advocating postal Savings banks on the ground that not all parts of the country are enjoying proper banking facilities. The only postal Savings bank which should ever be allowed to exist in these United States is the Savings bank which makes use of our excellent postal facilities for a "banking by mail" business. None other is needed. Let the Savings banks do their duty and there will be no argument for adding to the Government's trouble. The Bowery Savings Bank of this city is setting a good example and its position in the matter is ably defended by its President.

How is the Savings bank to regain its partially lost prestige? By abandoning the threadbare argument "we cannot advertise," which does not mean that it is to abandon conservatism and prudence, but rather the possession of these fundamentals, to place itself before the citizen in its true light; something designed for him and for his sole benefit.

The method of conducting an educational campaign, if we may so term it, must of course be fitted to local conditions. It should not only impress upon one the value of saving money, but it should emphasize the value of doing it regularly, systematically. After the value of saving has been well inculcated, the safety of savings accumulations should be taken up. The danger from the "old stocking" method, and unsafe investments should be brought out. When this has been well done let the advertising bring out the salutary points of the Savings bank system in general, and an emphasis be given by applying the particular point brought into relief by the institution in question. Publish the stability of the bank in such ways as alluding to its growth in a given period; by showing how many dollars of surplus there are to each depositor; by a reference to the amount of real estate loans in the community, and the strength of local investment; by pointing out the safe securities held; by rigid State laws. Let the names of the directors or trustees be presented at intervals, but with some leading comment, and not as a mere list of names. Specify interest dates just before they are at hand. Do it in such a way that it cannot fail to attract, and do nothing else at the time except to refer to the interest rate. If the rate is about to be reduced by necessity adopt a series of advertisements to point out the causes in the tersest manner possible. Let each advertisement take up a step in the reason, and at the same time be somewhat complete in itself. Put it in such a manner that a gain rather than a loss will be had in the face of such a reduction. Advertise the necessity of safety in savings. Show up the relation of safety to high interest rates. Explain that the security of the principal is more to be regarded than a high return.

Many bank men imagine that if an institution departs from the old way of advertising it loses dignity. This is not so where advertising is done properly. Of course "smart" advertising is to be strictly avoided. An advertisement can be original and still be clean and terse. A Savings bank advertisement should be a thorough gentleman in the advertising population;

but it should be remembered that the thorough gentleman makes friends as well with the man of lowly rank as the one of highest station. The tone of publicity should always appeal to him for whom the Savings bank was founded. Education is a more permanent basis for thrift. Let us do what we can to elevate the standard of saving and safety; and in just such measure as we succeed do we render harmless the "get-rich-quick" schemes which are held out on all sides to the uninformed.

After the reading of this paper it was suggested by a delegate present that opportunity should be given for the discussion of the various papers and the points therein brought out.

THE CHAIRMAN: That is understood. After the papers have been read, they will be open for discussion by any of the delegates present. This refers to all the papers or any part of them. But if it is the pleasure of the meeting, they can also be discussed separately, immediately after they have been read.

While some of the delegates were in favor of discussing the papers whilst they were still fresh in their minds, others expressed themselves as afraid that the discussion of the first paper might be so prolonged as to prevent the remainder of the opportunity of being read and discussed. The question being put to the vote, it was decided to defer the discussion until all the papers had been read.

THE CHAIRMAN: Then we will proceed to the next item, which is the reading of a paper on "The Law of Trust Accounts," by Thomas B. Paton, Editor of the "Banking Law Journal," New York.

THE LAW OF TRUST ACCOUNTS.—ADDRESS OF THOMAS B. PATON, EDITOR "BANKING LAW JOURNAL."

Trust accounts from the banker's standpoint were made the subject of an able paper by your worthy secretary, Mr. Hanhart, at the convention at San Francisco a year ago, which led to some discussion. This year I have been honored with an invitation to address you upon the law governing these accounts.

The opening of two-name accounts in the various trusts and joint forms with which Savings bank officers are familiar has been a fruitful source of litigation over the ownership of the deposit where the depositor has died and the money is claimed by the representatives of the deceased on the one hand and by the named beneficiary or survivor on the other. The question to be determined in the great number of disputed cases is the ultimate right to the money as between two rival sets of claimants. The banks, as a rule, are not involved in these lawsuits except in so far as they may hold the deposit for payment to the party held entitled to it. Ordinarily the banks cannot know anything more than is to be implied from the form of the account. They are debtors for the deposit and generally pay according to the form of the account, on presentation of the book, in the absence of notice, or knowledge of circumstances rendering it unsafe for them to do so, and leave the question of the ultimate right to the money to be litigated between the adverse claimants.

The decided case law on the subject of the ownership of these accounts is assuming large proportions. The Middle and New England States where, in the past, these accounts have been most numerous, have furnished the greater number of cases, and as that portion of the nation's wealth represented by savings deposits has gradually extended westward, the courts of the Western States have been more recently called upon to wrestle with the same questions that at an earlier period confronted their Eastern brethren.

Knowledge of the rules of the law which the courts are laying down for the government and disposition of these deposits is essential for the banker, not only for his own safety in their payment, but also because he is the one to whom the average Savings bank depositor, himself ignorant of the law, looks for advice as to the best thing to do to carry out his intentions with respect to money deposited.

When the banker, with his practical knowledge of human affairs and the needs and desires of his depositors, adds to this practical experience a knowledge of what the courts of his own and other States have held with respect to these deposits, and sees what it is concerning a particular account that has caused the litigation, which perhaps has resulted in frustrating the intention of the original owner of the money, he is in a better position to invent or simplify forms of accounts, with a view of lessening the occasion for future legal disputes. He is in a better position, also, to give good sound advice to his depositors, for many are the cases where, from misconception of the law, these earnings of a lifetime have gone astray into hands for whom they were not intended, often to the disappointment and misfortune of needy and worthy intended beneficiaries.

WHY MONEY IS DEPOSITED IN THE NAME OF TWO PERSONS.

Why is money put in two names in a Savings bank? The motives are various.

A parent may desire to deposit money from time to time for a child, or a depositor may intend to put his money in trust for a relative or dear friend, the intention of the depositor being to immediately part with his individual ownership and control and to make a gift or create a trust for the named beneficiary.

2. More numerous are the cases, perhaps, where the depositor desires to make his bank account serve the purpose of a will. It is only human nature to desire to keep the money as long as he lives; but then when he dies that it shall go to the beneficiary or survivor named in the account. Numerous have been the decided cases in the past wherein a deposit under such circumstances has been adjusted to belong to the legal representative of the deceased depositor, and not to the beneficiary intended.

3. In a third class of cases, no present or future parting with ownership by the depositor is intended; he simply uses a trust or joint form of account, instead of an account in his individual name, to serve his own purposes—to evade payment of taxes, to conceal his true financial condition; to obtain a greater rate of interest than if the money were in his individual name where he is receiving interest at the maximum rate on an individual account, or to obtain interest where another account in his individual name is up to the limit. These accounts, also, often lead to litigation, after the death of the depositor, as the money is frequently claimed by the other party whose name has been used in the account. Banks, as I understand, as a rule, do not knowingly open accounts to serve these purposes.

PRINCIPLES OF LAW GOVERNING GIFTS AND DEPOSITS IN TRUST.

There are certain broad principles of law underlying gifts and trusts of personal property which enter into the decision of nearly all the cases involving the ownership of Savings bank deposits in trust and joint forms. A gift is executed by delivery; a trust by declaration. To constitute a completed gift there must be delivery of the thing given. If there is a mere intention to give in the future, there is no gift. To constitute a trust in personal property, there need be no actual delivery of the property, but something which corresponds with delivery, namely, a declaration of a trust with the intention that the legal title at once pass from the individual to the trustee to be held according to the terms of the trust. Underlying nearly all the litigated cases of gift is the inquiry, has there been a delivery, actual or constructive; if so, coupled with the intention to give, there has been a gift; and in cases of trust, the inquiry, has there been a declaration of trust; if so, then the individual ownership has passed from the depositor, and vested in him as trustee for the beneficiary, according to the forms of the trust.

Sometimes the question of ultimate ownership is determined from the form of the account alone, but in the greater number of cases additional legal evidence is produced which on the one hand shows that a gift or trust to the beneficiary was intended and executed or, on the other hand, proves either that the depositor never intended to make a gift or create a trust, or if that was his intention, that the intention was not legally consummated; and the ownership of the money is determined accordingly.

With the general principles I have stated in mind, it will be of interest to consider, briefly, what the courts have decided with reference to particular forms of account.

DEPOSITS IN TRUST FOR ANOTHER.

Probably the most common form of Savings bank trust account is that where a depositor puts his own money on deposit in his own name in trust for another. In Massachusetts, the Supreme Court has held that this form of account, standing alone, is not sufficient evidence of a prima facie or presumptive trust. As a consequence, where the depositor dies and no other evidence appears to establish a trust in favor of the beneficiary, the representatives of the depositor, and not the beneficiary, would be entitled to the money. This has been the judicial law of Massachusetts ever since Betsy Abbott deposited a sum of money in the Boston Five Cents Savings Bank as trustee for Ann Clark, her half sister, over a third of a century ago. Betsy always retained the pass-book and Ann Clark did not know of the deposit until after she died. The Supreme Court of Massachusets held (Clark vs. Clark, 108 Mass.), that nothing had been done to create even a prima facie trust, and that the administrator of Betsy, and not Ann Clark, was entitled to the money.

This same proposition has been held several times since in the State of Massachusetts. Of course, if the beneficiary can prove facts, in addition to the form of the account, which show that a gift or trust was intended and executed in his favor—either a delivery of the pass-book, or a declaration to the beneficiary or to someone else that the money was his—the case will be different and he can entitle himself to the deposit as against the estate of the depositor. A case which will illustrate this is where George C. Trumbull deposited $1,000 in the North End Savings Bank as trustee for Achsie J. Wood, who was his housekeeper. Trumbull always retained his bank book and it was found by his administrator among his papers after his death, but the evidence showed that Trumbull had said to Mrs. Wood: "I put $1,000 in the North End Savings Bank; that money is yours." The Supreme Court of Massachusetts upheld Mrs. Wood's title to the money as against the administrator of Trumbull (Alger vs. North End Sav. Bank, 146 Mass.)

What has just been said relates to the ultimate right to the money. So far as the bank is concerned, it is protected in paying to the beneficiary named in the account, upon the depositor's death, in the absence of notice of an adverse claim.

The Massachusetts statute provides that where a deposit is made by one person in trust for another, if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may, in case of the death of the trustee, be paid to the person for whom such deposits was made or his legal representative.

I have made mention of the law of Massachusetts first, because the courts of that State have stood almost alone in their construction of the legal effect of a deposit by one in his own name, in trust for another, nothing else appearing. While Massachusetts has held that the form of deposit "in trust for" is not sufficient to constitute a prima facie trust in the absence of other evidence, the courts of other states have held the contrary—that the deposit by one in trust for and her, standing alone, is a prima facie or presumptive trust for the beneficiary, and unless the presumption is disproved or negatived by evidence showing that the depositor had no intention of parting with his ownership, the beneficiary, on his death, will be entitled to the money as against his estate.

For instance, the Supreme Court of Maine in one of the cases in that State (Bath Sav. Inst. vs. Hathorn, 88 Me.) said: "The entry 'in trust for' is of clear and unmistakable import and sufficient to create a prima facie trust"; and the Supreme Court of Pennsylvania in a recent case (Merigan vs. McGonigle, 20 B. L. J. 448) where an aunt had deposited money in trust for her niece, held that the form of account prima facie entitled the niece to the fund on the death of the depositor, and that her claim to the fund would not be defeated because the evidence failed to show that the niece had knowledge of the creation of the trust before the death of the depositor. The Court said it was aware that the Massachusetts decisions were in conflict with the rule recognized in Pennsylvania as to the effect of retention of the pass-book and failure to give notice of the trust to the beneficiary in cases of this character,

but that it is sustained by the New York cases and the great weight of authority elsewhere in the country.

THE LAW AS DECLARED IN NEW YORK.

There have been a long line of cases in the State of New York involving this form of deposit. It was originally held in the case of Martin vs. Funk (75 N. Y.) that the form of deposit "in trust for" alone, where its import was uncontradicted by other evidence, was a sufficient declaration of trust and transferred the title from the depositor individually to the depositor as trustee. Retention of the pass-book was not inconsistent with this effect, notice to the beneficiary was not necessary, nor did the ignorance of the latter of the trust until after the death of the depositor affect its completeness.

This case was followed by a case (Willis vs. Smyth, 91 N. Y.) in which the presumptive trust arising from the form of account "in trust for" was not upset because the depositor withdrew the interest, offered to loan the fund, and deposited money in the same account after the beneficiary's name had been changed by marriage; and the beneficiary was held entitled to the deposit as against the administrator of the depositor.

Then came a case (Mabie vs. Bailey, 95 N. Y.) where a man named Bailey opened an account in 1864 "B. Bailey in trust for Ida Mabie." Afterwards he showed Ida's mother the pass-book and informed her that the deposit was large enough to amount to something for Ida when she grew up. In 1867 Bailey drew out the deposit. In 1869 he died. The Court of Appeals held that Bailey had established an irrevocable trust, the presumption imputed from the mere fact of deposit in this form having been confirmed by his independent statements, and that Bailey's estate must pay the full amount withdrawn and interest, to the beneficiary.

But the increasing use of the "in trust for" form of deposit and the multiplication of cases where depositors put money in that form, without ever intending to create a trust or part with ownership, and the danger that depositors would be held guilty of breaches of trust with respect to their own money, led the Court of Appeals after a time to adopt a more flexible doctrine with reference to the irrevocable establishment of a trust.

In the year 1881, John Cunningham, who had down to that time carried an account in bank in his own name, transferred the money to a new account "John Cunningham in trust for Patrick Cunningham, his brother." Patrick Cunningham died in 1890 and three days later John transferred the account to his own name. The controversy was between Patrick's administrator and John, involving the question whether John had created a trust for Patrick which he could not revoke. John's uncontradicted testimony was to the effect that he always retained the pass-book, never informed Patrick of the deposit, and never intended to give the money to or create a trust for Patrick. On this testimony the Court of Appeals held no trust had been created for Patrick. It summed up the doctrine of previous cases thus: "The act of a depositor in opening an account in a Savings bank in trust for a third party, the depositor retaining possession of the bank book and failing to notify the beneficiary, creates a trust if the depositor dies before the beneficiary, leaving the trust account open and unexplained. If the intent can be strengthened by acts and declarations of the depositor in his lifetime amounting to publication of his intent, a more satisfactory case is made out, but it it not absolutely essential in the absence of explanation, where he dies, leaving the trust account existing." (Cunningham vs. Davenport, 147 N. Y.)

The most recent decision of the New York Court of Appeals upon the "in trust for" form of account was handed down last month, August 5. All the previous decisions are reviewed, and the decision is of the utmost importance, as the court declares a definite rule of law as to the legal effect of this form of deposit (case of Latten.)

The case was one where the depositor of her own money, in trust for another, had always retained the pass book, and had closed out the entire account and surrendered the pass-book before her death. She never spoke to anyone about the account or stated her intention in opening it. After her death the named beneficiary learned of the account. The Court of Appeals held that the administrator of the depositor, and not the alleged bene-

ficiary, was entitled to the money. There was no evidence of the depositor's intention to create a trust, and the court proceeded to consider the question whether an irrevocable trust was established by the mere deposit in this form.

In the course of its opinion the court said: "When a deposit is made in trust and the depositor dies interstate, leaving it undisturbed, in the absence of other evidence, the presumption seems to arise that a trust was intended in order to avoid the trouble of making a will."

But in the case before it, the case was different; the money had all been drawn out. The court stated that it was necessary to settle the conflict between the opinions of the learned justices in the different appellate divisions upon the question, by laying down such a rule as will best promote the interests of all the peope of the State; it had reflected much upon the subject, and finally, guided by the principles established by its former decisions, concluded to announce the following rule:

"A deposit by one person of his own money, in his own name as trustee for another, standing alone, does not establish an irrevocable trust during the lifetime of the depositor. It is a tentative trust merely, revocable at will, until the depositor dies or completes the act in his lifetime by some unequivocal act or declaration, such as delivery of the pass-book or notice to the beneficiary.

"In case the depositor dies before the beneficiary without revocation or some decisive act or declaration of disaffirmance, the presumption arises that an absolute trust is created as to the balance on hand at the death of the depositor."

The law as now developed in New York upon the "in trust for" form of account amounts to this: Where a depositor puts his money in bank in his own name in trust for another, keeps the pass-book in his own possession, and makes no statement to anyone other than implied from the form of the account, that the money has been put in for the beneficiary, but keeps his intention locked up in his own breast, he may safely dispose of it during his life, or leave the whole, or whatever balance may remain to the beneficiary when he dies, as he may choose. He can virtually, therefore, make his bank account in this form serve the purpose of a will, retaining ownership and control during his own life, and when he dies, whatever balance remains will go to the beneficiary and not to his estate. The bank, of course, is always safe in paying the money to the beneficiary when the depositor dies in the absence of notice of an adverse claim, for the New York statute, which is similar to that of Massachusetts, permits this to be done; but concerning the ultimate disposition of the money, the object which the majority of depositors who put money in this form desire—to have it for themselves as long as they live, and when they die that it shall go to the beneficiary—is virtually accomplished, without the trouble and expense of making wills and of the resultant probate proceedings.

This latest New York decision is virtually legislation and can hardly be reconciled with the principle that to constitute a valid trust for another it must be consummated at the time it is made.

As I have already said, there are many decided cases where the depositor's intention has been shown to keep the money during his life and upon his death it should go to the beneficiary, wherein it has been held that the attempted disposition was not in accordance with the law, for the depositor owning the money as long as he lived, he could not transfer it to another upon his death except in compliance with the statute of wills, and wherein the money has been held to belong to his estate. But now under the judicial law of New York where one puts money in this form, but makes no statement of his intention, it can be a trust or not as he afterwards may choose; it is revocable at will; he is guilty of no breach of trust if he draws it all out, and if he finally decides to leave the balance to the named beneficiary when he dies, the form of account will work the transfer on the theory of a presumptive absolute trust, no contrary facts appearing. This ruling seems to have been made on the score of expediency, best serving the ends of the great number of Savings bank depositors, who find this form of bank account a convenient method of carrying their savings in their own hand during their lifetime, and making dispositions to a selected beneficiary when he dies.

JOINT AND OTHER FORMS.

It would unduly extend the length of this address to go into any detail of the decisions upon other two-name forms of Savings bank accounts. The cases are so numerous and the facts so varied that nothing of the kind will be attempted. Frequently an account will be opened in what may be styled an alternative joint form. John Smith will deposit his money in the joint names of "John Smith or Peter Jones," or "John Smith or Peter Jones or the survivor," sometimes with the addition "payable to the order of either." John Smith thinks and intends that when he dies the money shall go to the survivor. But unless he delivers the book, or makes some surrender of possession during his life, the general rule is that upon his death the money belongs to his estate. Such a form of account creates no presumption of a gift or a trust to the alternate party named, except in the case of husband and wife. A deposit put in by John Smith in the names of "John Smith and Mary, his wife," will, upon his death, belong to his wife, as survivor. But no such presumption of survivorship exists even in the case of parent and child.

An interesting decision upon this point has recently been rendered by Judge Herrick of the New York Supreme Court at Albany. Kate V. Beers deposited a sum of money in the Home Savings Bank in the name of "Kate V. Beers or Sarah E. Kelly, her daughter, or the survivor of them." Mrs. Beers always retained possession of the book. After her death, Mrs. Kelly, her daughter, demanded payment from the bank. She could not produce the book as it was in the possession of Mrs. Beers' executors. The bank refused payment until the right to the deposit as between Mrs. Kelly and the executors of Mrs. Beers was judicially tested. The decision of Judge Herrick was in favor of the executors. He held there was neither a valid gift by Mrs. Beers to Mrs. Kelly nor the creation of a joint ownership in the deposit with right to survivorship.

The Court of Chancery of New Jersey has also very recently passed upon the following case: Richard B. Coriell deposited in the Provident Institution for Savings in Jersey City a sum of money and caused the account to be opened in the name of "Richard B. and Mary E. Coriell," who was his daughter. It remained in this form until his death. He had made deposits and withdrawals from the account, always retaining the pass-book which came to the possession of his administrators. The court held the money belonged to his estate, and not to the daughter. The evidence was held insufficient to prove a gift by father to daughter during his life; it showed that the gift was limited to take effect after the father's death, and hence was void as not in compliance with the statute of wills.

It may be that where, in addition to this form of account, the depositor signs a contract in the bank's books, agreeing with the second party named, upon mutual consideration, that the money shall belong to both of them and the balance go to the survivor, that upon the death of the original owner of the money, the survivor will be entitled to it.

A case of this kind was decided by the Court of Chancery of New Jersey in 1901 (Hoboken Bank for Savings vs. Schwoon, 19 B. L. J., 108.) A Mrs. Roche had a deposit in her own name in the Hoboken Bank for Savings. She took her grand-nephew with her to the bank and had the account changed to "Helena Roche or Henry Schwoon, payable to either or survivor," and Mrs. Roche also signed a contract in the bank's book to the effect that she authorized the bank to place the account in the joint names and that "we, the said Roche and Schwoon, hereby agree with each other to become and be copartners in the ownership of said moneys, and of all accrued and accruing interest thereon, and of all moneys hereafter to be deposited to said account; and it is agreed that each and either of said parties and the survivor may at any time draw and receive from said bank the whole or any part of said moneys;" also authorizing each of the parties to receipt for deposits withdrawn. Mrs. Roche afterwards drew out part of the money and then delivered the pass-book to a friend instructing the latter to keep it until her death and then deliver it to Schwoon.

The court in this case overruled the objection that this mode of making a gift was testamentary and therefore void under the statute of wills, and held that the signing of the contract constituted a complete declaration of

trust in favor of Schwoon, according to the terms of which he was entitled to the remainder on deposit as against the executor of Mrs. Roche.

The law on this subject of joint accounts is not thoroughly settled and there is more or less conflict between the courts of different States as to the effect to be given to accounts in the various joint forms. As there is no real objection to people putting their money in such forms that it remains their own while they live, and goes to a selected beneficiary upon their death, it would certainly be a good thing if some statute could be enacted by the Legislature of the various States validating a method of making a testamentary disposition by means of a Savings bank account. As the subject stands today, many of these intended gifts upon the death of the depositor are defeated because contrary to the statute of wills and the number of litigated cases is much larger than it would be if the entire subject was regulated by legislation in conformity with the needs of and desires of the great mass of Savings bank depositors.

THE CHAIRMAN: The next paper will be read by Mr. R. H. Wester, President of the Wester Savings and Trust Co., San Antonio, Texas, on the subject of "Savings Banks for Texas."

SAVINGS BANKS FOR TEXAS.—ADDRESS OF R. H. WESTER, PRESIDENT WESTER SAVINGS AND TRUST COMPANY, SAN ANTONIO, TEXAS.

A singular anomaly confronts us in the fact that for the three decades which mark our unparalleled advance in everything that tends to national greatness Texas should have in effect prohibited the establishment of Savings banks. The election of 1874 deposed the Carpet-bag regime and returned the Democratic party to power. One of the first acts of the new administration was to call a constitutional convention in which was framed our present constitution, adopted in 1876. This document contained the following remarkable clause: "No corporate body shall hereafter be created, renewed or extended with banking or discounting privileges;" and it remains therein unchanged until this good day.

The constitution preceding this one specially recognized Savings banks, and a few concerns incorporated thereunder are still in existence and have been quite successful. The motive for this unreasonable inhibition is not known and can only be accounted for upon the ground of a general hostility to corporate organization, which existed for many years. This antipathy to corporations also accounts for the fact that until recent years it has been impossible for those favoring corporate organization for such institutions to urge the amending of this clause with any hope of success.

THE PENDING CONSTITUTIONAL AMENDMENT

A change in sentiment towards corporations, added to the necessity for increased banking facilities and for giving to our trust companies the same discounting privileges held by their outside competitors, finally resulted in the passage of the following joint resolution by the Legislature of 1903:

"Section 1. Be it Resolved, by the Legislature of the State of Texas, that Section 16 of Article 16 of the Constitution of the State of Texas be, and the same is hereby, so amended that the same shall hereafter read as follows:

"Section 16. The Legislature shall, by general law, authorize the incorporation of corporate bodies with banking and discounting privileges, and shall provide for a system of State supervision, regulation and control of such bodies which will adequately protect and secure the depositors and creditors thereof. Each shareholder of such corporate body incorporated in this State, so long as he owns shares therein, and for twelve months after the date of any bona-fide transfer thereof, shall be personally liable for all debts of such corporate body existing at the date of such transfers, to an amount additional to the par value of such shares so owned or transferred, equal to the par value of such shares so owned or transferred. No such corporate body shall be chartered until all of the authorized capital stock has been subscribed and paid for in full in cash. Such body corporate shall not be authorized to engage in business at more than one place, which shall be designated in its charter.

"No foreign corporation, other than the National banks of the United States, shall be permitted to exercise banking or discounting privileges in this State."

This amendment has the endorsement of the Texas Bankers' Association and is a platform demand of the dominant political party, which practically assures its passage.

After adoption and the passage of an equitable banking law by the next Legislature we can start a work in which you have had near a century of progress. The amendment is not what it should be, as thereunder we can never have the opportunity of building any great mutual Savings banks such as you have, but it at least provides for a corporate organization and State supervision, both of which we need in order to enable us to make any progress in the direction of this long-needed economic work.

SAVINGS WITHOUT A SYSTEM.

Our experience in this direction has been varied, and the money wasted in building-and-loan propositions, bond-investment contracts and fake insurance schemes, if it could have been systematically placed in Savings banks, would today allow favorable comparison and make a most creditable showing. In our cities and larger towns we have usually had a good building and loan association confining loans to local properties. These have been successful and have been of vast benefit in assisting our young people to save and in aiding others to become possessed of a home. In some places private banks have paid interest on small accounts and in more recent years trust companies have been contracting for such funds under the fiduciary and depository clauses in their charters. Others have purchased real estate upon the installment plan, taking their profits from the natural increase due to growing communities. All these methods have their good points and have tended to stimulate the saving habit, but they could not take the place of the Savings banks and the lack of any form of State supervision naturally precluded any system in saving.

SAVINGS BANK STATISTICS.

In 1900 Texas, standing sixth in population with 3,048,710 people, had no Savings bank, while Massachusetts, seventh, with 2,805,346 population, has 1,660,814 Savings bank depositors owning $586,937,084, averaging $353.40 each, or $205 for every man, woman and child in the State. New York has $1,112,418,552 for 2,327,812 depositors, averaging $477.88 each, or about $153 per capita. At the beginning of this year your famed Bowery Savings Bank held $85,993,712.80 of deposits which was fourteen million dollars in excess of all the deposits in the 369 National banks of Texas.

The entire banking capital and deposits of Texas make a per capita average of about $50, while the per capita average in deposits alone for the United States is $127; all of which but goes to show how the Lone Star State has been wasting her opportunities for thirty years while the Savings bank States have been adding day by day to the credit balances which enable them to control the security markets of the world. Texas, with an area of 265,780 square miles, possesses a territory more than 15,000 square miles greater than that of the Savings bank States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, District of Columbia, Ohio, West Virginia and Pennsylvania. The last census gave these fourteen States a population of 27,814,527, or near nine times that of Texas. One-fourth of this population keep savings accounts which average $400 each, or nearly $100 per capita, and held in this way a wealth twice as great as that of all the banking capital and deposits of the State of Texas. Savings banks hold deposits of $2,512,468,458, which exceeds the paper and coin circulation of the United States by $144,776,000, and is in excess of one-fourth of all the deposits in all the banking institutions in the United States.

Of this vast army of Savings bank depositors forty-two per cent. are women and children and nearly all are from the laboring classes, which is of itself a striking testimonial of the economic value of savings banks.

THE LOST OPPORTUNITY.

Inexcusable as appears our position, for thirty years barring the door to our own advance in the direction of what has been for one hundred years recognized as the greatest force and factor in economic progress, there should now be no further procrastination. We are prone to boast of our wonderful achivements in all lines of industry, and it is true that these have brought us greater population with a consequent increase in values, in wealth and in the opportunities for wealth-getting; yet if, notwithstanding this, the individual Savings bank depositors of the fourteen Savings bank States hold of themselves moneys sufficient to give to their twenty-seven millions of people a per capita wealth twice as great as in that of our three millions, then have we been wasting our opportunities. It is now time that we awake to a full realization of our needs and work earnestly and energetically for a greater Texas. The adoption of the banking amendment and the passage of equitable banking legislation mark the way.

RESOURCES FOR SAVING.

It is not here intended to convey the idea that we have nothing to save. The fact that we pay taxes upon more than a billion dollars of property value and have total resources estimated at three billions, easily disproves such an assertion. Producing more than one-fourth of the United States cotton crop and nearly one-fourth of that of the world our 2,471,081 five-hundred-pound bales last year brought in $132,231,752 with $16,370,915 for the seed. Our grain and hay crops were worth $100,000,000, dairy products and fruits $33,000,000, while rice, sugar and molasses added $15,000,000 more. This was produced upon 15,236,576 acres of land, or less than one-tenth of our area. Our live-stock industry will be better understood when it is known that upon an enclosed pasture acreage equal in extent to one-eighth of the area of the United States will be found more than one-seventh of the cattle, one-sixth of the mules, and one-third of the goats in all of the States, together with 1,500,000 horses and enough sheep and hogs to rank us seventh in that branch of the industry.

From these statistical figures it will be seen that we have abundant resources from which to build great Savings banks. Iowa, a strictly agricultural State, has a splendid system of Savings banks in which funds have accumulated sufficient not only to handle her own bonds and mortgages but to be invested in outside securities.

Texas has more than agriculture. In 1903 we cut 750,000,000 feet of yellow pine lumber for which labor was paid $3,000,000. Our record for oil production in 1902 carried Texas to second place among the States and enabled the United States to rank first in the world. Our coal and lignite fields furnish splendid returns—one mine alone employing 5000 men. Quicksilver, silver and salt mines add their quota, while iron, clay and building materials exist in inexhaustible quantities. Manufacturing now employs three per cent. of our population, and our cotton, cotton-seed oil, rice, sugar and flouring mills, brick, cement, tile and pottery works, foundry and machine shops, oil refineries, breweries, packeries, printing and publishing houses and saddlery and harness establishments, pay many millions of dollars annually to those classes of labor who would most patronize Savings banks and who would greatly profit by their establishment.

A PUBLIC NECESSITY.

If the general Government could by the authorization of our present great National banking system provide a scheme for the utilization of an immense war debt which would in a single generation reduce the interest rate thereon from seven per cent. to less than two per cent., then surely Texas must now take the only practical step that will provide a home market for her country and city bonds. Savings banks will not only make a market for these securities but will reduce interest rates and then keep the interest earnings at home. This item of saving alone will mean much to Texas, as last year counties issued bonds to the amount of $2,702,119.49, cities $1,018,250 and school districts $151,300. The State permanent school funds now hold $11,532,102.05 of such securities and can only take a small portion of the offerings each year, which of itself creates a public necessity for Savings banks.

THE COMING EMPIRE.

Texans are not slow, and in the development of this vast southwestern territory they are constantly adding to the brain, brawn and wealth-producing factors of their great State by the addition of the thrifty home-seeker from sections not so blest in climatic conditions. These are thinking people who have saved and who do things, and with their aid and assistance we will not only make rapid progress in the elimination of past economic errors, but shall eventually build upon the breeze-blown shores of the Gulf of Mexico a State without a peer in industrial excellences—an empire that shall for all time mark the way to successful endeavor in all affairs that go to promote a higher civilization.

THE CHAIRMAN: The next paper is written by Mr. John Worthington, of the Chicago Savings Bank, Chicago, Ill., and is entitled "Savings Banks' Real Estate Loans," but as Mr. Worthington is not present, the paper will be read by Mr. Lucius Teter of Chicago.

LUCIUS TETER, of Chicago: Gentlemen and Delegates—I regret very much the inability of Mr. Worthington, the author of this paper, to be present; but in his absence I will do my best to take care of his paper. At the

outset I wish to explain that the paper is not intended by any means to be an exhaustive treatise on the subject of real estate loans, nor would you expect us to come down to New York in order to tell you in this city anything new about real estate ownership. The paper is rather meant to approach the subject in a general way and take up one or two more important points that are connected with the subject.

SAVINGS BANK'S REAL ESTATE LOANS.—ADDRESS OF JOHN WORTHINGTON, MANAGER REAL ESTATE LOAN DEPARTMENT CHICAGO SAVINGS BANK, CHICAGO, ILL.

It certainly is not necessary, before this audience, to enter into a description of real estate loans, nor to undertake a defense of their use for investment purposes, since there are few, if any of us, who have not long ago become investors to a greater or less extent in this class of securities. In fact, this is evidently necessary. With civilization growing more complex, the distance seems to widen between the man with dollars to invest, and the other who wishes to borrow that he may build a house or a store. At any rate, if we may judge from the accumulation of deposits in our banks, they are both very busy men and are leaving the details of financial affairs to us. We will then give mutual consideration to one or two questions that surround the making and handling of real-estate loans.

REAL ESTATE A POPULAR FORM OF SECURITY.

Broadly speaking, a real estate has always been a popular form of security, and justly so, because, resolving the question to its last analysis, the ground and the buildings which men erect thereon, for homes and for the transaction of legitimate business pursuits, are necessities, and as such must represent security of the highest order. By this statement do not understand me to mean that all land is desirable for security, or that at all times any particular piece of land is a desirable security. In fact, there is no doubt that one of the chief mistakes which our American bankers have made in their dealings in real estate securities, is that we have lost sight of the fact that real estate is ever changing. Some properties are offered to us at too early a date of development, others in a period of transition, when proper appraisement is most difficult; still others when the van of civilization has moved on, leaving the particular security tumbled down and decaying, to find its way back to its primal condition, occupied only by the miserable and unsuccessful of mankind.

While admitting the general desirability of real estate loans, we can not lose sight of the fact that there are some decided objections to such securities when viewed in the light of experience. We shall consider two of the objections:

1st.—The possibility of loss.

2nd.—The fact that such loans are not readily convertible, therefore do not furnish as liquid an asset as we desire.

Is it not possible, by the adoption of a higher standard governing the making of real estate loans, for our banks to make a long stride toward solving these difficulties? Let us consider briefly three features of the subject upon which I think we can unite for better things:

1st.—The consideration of the security.

2nd.—The written evidences of such security.

3rd.—The subsequent history of the loan.

THE CONSIDERATION OF THE SECURITY.

Taking up the first point, the consideration of the security: I am firmly convinced that no Savings bank should make real estate loans outside of its immediate neighborhood, unless it is impossible to keep funds invested. Should you be compelled to go abroad for such loans, it seems to me the best plan would be to secure them only from responsible banks located where the loans are made. No one but a thoroughly trained man, familiar with local conditions, can make such loans successfully, and it is fair to presume that the local banker of experience is the best man available.

To return to your local loaning, have the best man in your bank to do the appraising; loan only in good neighborhoods; beware of the very new, shun the declining, or uncertain ones.

While I believe in always dealing with responsible borrowers, I would suggest that you beware of the temptation to loan more than is right on a

piece of land simply because the borrower is good "without security." He may die, or become a bankrupt, long before your loan is due. You would not think of making a loan on an ordinary promissory note for five years, then why in making a real estate loan should you depend upon the credit future at all?

It is probable that we will all agree that it is a very good rule never to loan more than fifty per cent. of the fair cash value of good improved real estate. It is advisable to limit loans on vacant property to a nominal amount. Furthermore, I would recommend that you confine your loans, as nearly as possible, to residences and standard business properties, avoiding buildings erected for special purposes, such as places of amuement, large hotels, particularly at summer resorts, factories, warehouses, etc.

THE WRITTEN EVIDENCE OF SECURITY.

Passing from the consideration of the security itself, we will take up the written evidence of such security.

First of all, you should have an abstract of title, approved by the bank's counsel and properly written to date, carefully numbered and filed in your bank's vault. You should have, where possible, a responsible title guarantee company's guarantee policy issued in the amount of the loan filed with the loan papers. I would recommend that you adopt a standard set of loan papers, trust deed, principal notes and coupon notes, all of which have passed upon by your bank's counsel and printed with the bank's name and those of the trustee, thus securing uniformity in the issuance of the papers. Do not allow your loan forms to be used in outside transactions, but let your forms, whenever seen, always mean a good loan upon which you have passed. Make all principal and coupon notes payable to the order of the borrower and have them endorsed by him, thus making them payable to the legal holder. Your papers should be made so that they will present an atractive and responsible appearance when completed. If trust deed runs to an individual, two successors in trust should be named, one of whom should be a responsible trust company. Provision should be made on trust deeds and principal notes for proper registration by the trustee and a careful record, by number, of each loan kept in the bank. Papers prepared in this way, accompanied by suitable fire insurance policies, where the security is improved property, and backed by the bank's reputation for careful loaning should create a collateral more liquid than many people think possible.

OTHER THINGS TO BE CONSIDERED.

I will say but a word more, and that in reference to the subsequent history of the loan:

See to it that all terms of the trust deed are respected; that the insurance is kept in force; that all taxes are promptly paid and that the property is kept in good condition. Above all, require prompt payment of interest coupons.

The final test in connection with each loan, comes, as you know, when it matures. It is also a good time to review the entire situation, learning thereby whether your bank is following a conservative course or not.

I would suggest that you do not allow yourself to be tempted to renew a loan simply because your experience with it has been successful. You will doubtless find, in most cases, that the conditions are not quite so good as when the loan was originally made. Then a lesser amount should be loaned or a renewal refused.

It is probable that many of the ideas expressed in this paper are not new to you. My object has been to summarize a few of the principles which we, as bankers, should follow in making our real estate loans; for if such principles are followed, I believe that a standard will be set which will have a direct and favorable influence upon the popularity of this form of investment.

At the end of this paper Mr. Teter added, personally: Referring to the question of making loans on property outside of the bank's immediate neighborhood, I may say that we have seen a great deal of money invested from Eastern investors which had been sent by them to irresponsible estate people, and the point which Mr. Worthington wants to bring out is that the best plan would be—if it is necessary to go to the West to place your money—that you should do so through people you can depend upon as financially sound, morally reliable and practically competent.

THE CHAIRMAN: I will now announce the next paper, which is also our last. It deals with "The Card Ledger in Savings Banks," and is contributed by Mr. J. A. Langstroth, Accountant of the San Francisco Savings Union, San Francisco, Cal. In the absence of the author this paper will be read by the Secretary, Mr. Hanhart.

THE CARD LEDGER IN SAVINGS BANKS.—ADDRESS OF J. A. LANGSTROTH, ACCOUNTANT SAN FRANCISCO SAVINGS UNION, SAN FRANCISCO, CAL.

In a Savings bank the deposit accounts monopolize a large part of the clerical work, hence any system which materially reduces the labor expended on them must be of some interest to Savings-bank men.

In the writer's opinion, the outgrowth of thirty-five years' practical experience, the principal requirements of an ideal savings-deposit ledger are:

First: Instantaneous accessibility of each and every account for purposes of inspection, posting, or removal, unconditional by the lifting or moving of books, the opening or unlocking of a cover, the pulling of a drawer or the sliding of a rod or a bolt.

Second: Perfect divisibility, so that a convenient-sized section of one or two hundred accounts can be quickly separated from the rest, to be worked upon at the bookkeepers' desk without affecting the working status of the remainder.

Third: An account page of such length that the cost of transferring the active and the permanent accounts plus the original cost of the ledger outfit, other things equal, will create a minimum charge to expense account.

In this connection it may be of interest to note that an assiduous bookkeeper, putting in hardly more than twelve thousand minutes of actual work per month, will, at a salary as low as $75, have a "minute" value of six-tenths of one cent, and hence the cost of a transfer of an account from page to page, occupying a minimum time, say, of two and one-half to three minutes, costs considerably more than a page or card, and several times as much as the difference between a small and a medium-sized one. So that, the proportion of active and permanent accounts being known, it could be easily shown that the cost of needless transfers caused solely by the page being too much below the normal in size, may alone, in no very long course of years, amount to more than the total cost of ledgers of a larger size.

Fourth: Automatic maintenance of perfect numerical order (or alphabetical, as the case may be), and such indexing of the same as, while guiding to any account with the greatest dispatch, will be the least taxing to the eyesight upon prolonged use.

Fifth: Maximum ease of manipulation and general convenience.

Sixth: Minimum requisition of floor space in the banking room.

These requirements appear to have been met by a card system, introduced into the San Francisco Savings Union of San Francisco, Cal., in 1889, and subsequently patented under the name "Mechanical Ledger," of which the following is a description:

The cards are 9¼ inches wide by 11 inches high, being ruled for debit, credit and balance of dollars and for debit and credit of interest figures (which, with us, are computed for days, instead of months, and entered with the deposit or draft at time of posting; under some methods of entry a card seven inches wide might answer the purpose.)

Both sides of the card may be used. The cards are contained in boxes, about one thousand to the box, in which they stand perpendicularly; being supported in that position by partitions, the lower half of which is of wood, three-eighths inch thick, rigidly fixed, and the upper half of this flexible metal, which permits the cards to be easily bent apart at the top for inspection. These partitions being placed at intervals of two inches, separate the cards into independent sections or parcels of 120 to 130 cards each, one or more of which parcels may be taken out of a box without affecting the position of the remainder.

To prevent the side edges of the cards from chafing against the sides of the box, they are centered by quarter-inch strips running along each side of the box close to the bottom, which strips have a smoothly-beveled shoulder over which the corners of the cards, which are correspondingly beveled, easily slide into position.

As projecting index tabs would prove objectionable in handling parcels of cards, of such a size, outside of the box, the account cards have a central segmental cut on the top, one inch wide by three-eighths deep, which, when the cards are in position in the box, forms a channel or grove, in which are exposed to view the index characters on the guide-cards ,interspersed among them. Thus, the tops of the guides being flush with the account cards, the

parcels can be more conveniently handled and the index is less liable to disfigurement.

To mark the place of a removed card, a small wooden blade, fitted to extend downward about an inch between the tops of the cards, is used. Of these markers or "indicators," one is journaled on a small metal shoe travelling in grooves on the right-hand lip of each box and is used exclusively when posting, while others have a flat spring clip fitted to clasp the left-hand lip of the box. The latter are used when cards are removed for any purpose other than posting, and they are prominently lettered or numbered for purposes of indentification, each bookkeeper carrying one. The presence of any number of these lettered indicators on the left side does not interfere with the operation of the travelling indicator on the right; so that the posting can go on without interruption.

These indicators practically obviate all danger of misplacement or loss.

The boxes are placed, at a convenient height from the floor side by side, in groups of five or more, on stands or cases provided with bearings, front and rear, on which a shallow desk, slant twenty inches wide, carrying ink wells, is fitted to roll laterally, close above the tops of the cards. The travelling desk is used principally in posting and is at other times usually removed.

A stand containing ten boxes, in two rows of five each, back to back, having an aggregate capacity of ten thousand open accounts, covers a floor space of four feet six inches by five feet two inches, within which area each one of the ten thousand accounts is equally accessible and at the same desired level.

The story of the results obtained by the use of this system is partly told in the following statistical comparison betwen the year 1888 (preceding its introduction) and the year 1903, showing both the amount and percentage of increase in the bank's yearly aggregate of

(1) Deposit transactions.
(2) Open deposit accounts.
(3) Number of tellers and bookkeepers in the deposit department.

Year.	Total Deposit Transactions.	Increase.	Total Open Accounts.	Increase.	Number of Tellers and Bookkeepers.	Increase.
1888	68,200		13,600		10	
1903	105,500		29,500		13	
Increase	37,300	33 per cent.	15,900	117 per cent.	3	30 per cent.

It is hardly necessary to explain that the number of postings for the year correspond with the number of transactions and that the bulk of all the remaining work increases in direct ratio with the number of open accounts.

From the above table we find that the postings increased during the fifteen years thirty-three per cent, while all the other work increased one hundred and seventeen per cent., an increase of one hundred and ten per cent. in the entire work, while the clerical force only increased thirty per cent., leaving seventy per cent. of proportionate increase, or a gain of seven men to be accounted for.

A portion of this enormous gain should, however, be credited to other sources.

It is well understood that every well-regulated office force, of some size, possesses a considerable reserve capacity for meeting increasing demands for work, if some of its members are young and still in process of development. Allowing for the use of this reserve and for sundry other minor economies, a liberal thirty per cent. there remains a conservative estimate of forty per cent. to be credited to the Mechanical Ledger. This represents a saving of at least four average bookkeepers, which stated in terms of dollars and cents, means a saving to this bank of at least $5,000 per year.

On completion of the installation in 1889, the effect was immediate and marked, as from the then force of ten men, three could be at once detailed upon other and special work; such as the writing up of a new depositors' card index of seventy-five thousand names, a voluminous correspondence index, the transfer of our loans to the card system, assistance to other departments, etc., etc., and it was actually not until 1900, after twelve years, that the next requisition for an additional clerk was made.

THE CHAIRMAN: I am sure we have all listened with much interest and attention to the able papers which have been presented to us, and they are now open for discussion. If anybody wishes to ask any questions or make any remarks on the subject of the papers, we will be very glad to hear them.

The discussion will be published together with the papers in the proceedings of the convention.

J. H. JOHNSON, of Detroit: I would like to take up the subject of the law of trust accounts. In my experience nothing is of greater importance to us than the question of joint trust accounts and the necessity of having explicit and uniform legislation upon this vexatious point. A special committee should, therefore, be appointed with a view to framing some uniform law and taking up the necessary steps for the purpose of having it enacted.

We are obliged in the Savings bank business to look after the interests of the poor depositors, and if a man who has deposited, say, two or three hundred dollars, leaves it to a son or daughter under certain conditions, we want to know if such a thing is legal and whether we can pay the money over without the annoyance of court interference. In fact, the possibility of court interference scares intending depositors away, and the most preposterous cases are known to have happened in this connection. In view of the importance of the subject, I therefore move that a special committee be appointed for the purpose of framing a uniform law on the handling of joint trust accounts and to take proper steps to have it enacted.

LUCIUS TETER: I wish to mention the fact that there is a Committee on Uniform Laws, into whose province this subject would probably fall.

THE CHAIRMAN: Yes, there is such a committee, but the death of Mr. Heinz prevented our receiving a report from that committee today. We are supposed to receive a report at the next convention, and until then we shall have to defer any suggestions to that committee.

MR. JOHNSON: I am under the impression that that committee concerns itself more with a uniform law governing the conduct of ordinary business and not with the question of trust law.

THOMAS B. PATON: The only uniform legislation affecting the banking business in the various States has been the uniform Negotiable Instruments Law, a law that was advocated by the American Bar Association and the American Bankers' Association. The law governing negotiable bills, notes and checks which has been enacted, affects the banking business, because bankers deal in those papers. My suggestion was that there should be a uniform law prescribing some form of Savings bank account which would enable a man to put money into the bank, have it during his lifetime, and let the account answer the purpose of a will when he dies. That thing has been partly accomplished by a judicial decision in the State of New York, according to which the form of account "in trust" enables a man to take the money again himself, but that whatever he leaves in bank would go to the beneficiary after his death. But it would be better still, if there could be some such legislation in each State. If a depositor has to make a will in each case, where he wishes the money to go to any other person than the law would designate, there will have to be witnesses, etc., and that will will have to be probated. All this is a nuisance and a serious matter for the small depositor in a Savings bank, and there is no reason why these people should not be able to make a will in the form of a Savings bank account. That is frequently done and in many instances these cases go through, but in others they do not. These people believe that the money has been deposited on the understanding that it will be paid to a certain person after the depositor's death, but frequently it is not, and their intentions are frustrated, causing much suffering and privation to those who really want the money and ought to have it.

It strikes me that the appointment of a special committee is the best plan for the purpose of framing a uniform bill, in which work bankers and lawyers could combine with their experience and advice, a bill which would prescribe that the provisions of a Savings bank account could be made to answer the purpose of a will; have that law uniform and urge it before the Legislature of the different States. I presume there would be no objection to that except, perhaps, on the part of some lawyers in the Legislatures who might argue that it would make the law so simple as to take away all their chances of making any money out of these cases.

CHAS. E. SPRAGUE, of New York: I should like to ask Mr. Paine with reference to the question of postal Savings banks, what he has to say in regard to the difficulties which the Government of the United States has experienced in connection with the establishment of official Savings banks.

WILLIS S. PAINE: I would like to call the attention of this meeting to an organization which was created by statute in this country in 1865 and which existed for a considerable period of time, but came to a most ignominious end.

The Freedman's Savings and Trust Company was created by Federal law on March 3, 1865, with authority to establish branches. The following May the headquarters were located in New York, and numerous auxiliaries, most of which, presided over by commissioned and uniformed officers, were instituted more especially throughout the Southern States. The pass-books of this Freedman's Savings and Trust Company contained the following statement: "The Government of the United States has made this book perfectly safe." The liabilities of the concern at the time of its failure were $3,037,560, payable to 62,240 claimants. The Government by purchasing the building owned by the bank at a high price, and in other ways, has aided in increasing the assets. The last and final dividend declared makes the total payment to its creditors only 62 per cent. Undoubtedly Congress was derelict in not exercising proper supervision over its affairs during its existence of nine years. The report of the commissioners appointed by Congress, to make an investigation, contains among other statements, the following: "A more perverted arrangement could scarcely have been devised by human ingenuity, if the design had been specially directed to obscure the transactions of the institution." Comptrollers of the Currency have repeatedly recommended that Congress should make provision for the payment of the thirty-eight per cent. still due depositors, but no payment is yet forthcoming.

Such results may not follow the establishment of postal Savings banks. The effect, however, of putting deposits into the keeping of a body of office-holders would be hazardous at best and would not promote the efficiency of the public service.

That, I think, answers the question.

THE CHAIRMAN: If there are no further remarks in connection with the papers so far discussed, we can proceed to the discussion of the second paper, which deals with the question of publicity for Savings banks.

At this point it was moved, seconded and agreed to, that it be put on record that this meeting was in total agreement with the proposal made by Mr. Paton.

W. W. CLOUD, of Baltimore: The bank with which I am connected (Maryland Savings Bank), about two years ago started out on a campaign of advertising. We used three lines for one month in a paper each day, giving the name of the bank, its location, and the statement that the bank opened

accounts on one dollar. That was productive of good results, and we followed the plan up from time to time on the same lines. Our personal experience has been that it not only brought new accounts, but also stimulated inactive accounts, and we propose to continue the practice. It is a subject that I am very glad to see discussed here today. I am also glad to emphasize the fact (and although it is not quite apropos, yet I take the opportunity of stating it) that in consequence of this procedure we are rapidly recovering from previous losses, the deposits have increased right along, and I hope we shall soon be able to move into a new building. I am sorry Mr. Watson is not present, or else he could have gone more fully into details.

THE CHAIRMAN: By asking questions we get at the way other people conduct their business, and in this manner increase our knowledge. If there are other gentlemen present who could give us their experience as to what they do and what they think ought to be done, we should be very glad to hear from them.

CHAS. E. SPRAGUE: Our bank (Union Dime Savings Institution, New York) has been rather independent in the matter of trust accounts, because we have acquired a great deal of experience in that line, while Mr. Paton has probably confined himself to a statement of the exact law on the subject —a practical subject for us, as we all have to conform to the law, and at the same time attain the greatest safety for ourselves and carry out the wishes of our depositors.

One case, in which our bank was defendant, would, I think, not be decided in the same way it was, if there were proper legislation for the conditions under which a man may put money in trust for his wife. In the case in question the depositor was a man named Dubois who deposited the money in favor of his wife. This wife died, and the man thought it wise to put the money now in the name of his sister, a Mrs. Morgan. We did not like him to draw the money out, and gave him a transfer in favor of his sister. This is simply a book entry in our bank and carries with it the right to draw interest on this and the old account. So we transferred to the sister. Then the old gentleman—like many others have done before him—after some years consoled himself and took unto him a new wife. Then he thought it the proper thing to have the money in the name of the second Mrs. Dubois, and came to us to have his wishes attended to. So instead of having him take the money out and redeposit it, we made a transfer from "Dubois Trust" to "Dubois Trust," i. e., from the name of Mrs. Morgan to that of the second Mrs. Dubois. After some time Mr. Dubois himself died, and the day after the funeral his sister, Mrs. Morgan, promptly brought suit against us, but fortunately she came to see me about it in time before I could pay the money away, and consequently we held it. That was all that prevented our losing $4,500. The judge said that, by making the second transfer, we were privy to a perversion of the trust. There was some slight evidence (as Mr. Paton will remember) to the effect that Mrs. Morgan had some interest in the money, a fact of which we were unaware. He admitted that the first transfer was right, but maintained that the second was wrong. The judge went so far as to enter into practical banking and tell us that, if we had allowed this money to be drawn out by the brother and afterwards to be redeposited in favor of somebody else, say the second wife, we would have been blameless.

The result is that ever since we have refused transfers from one name to another. We tell the applicant to draw the money out, then not to tell us

or anybody else what he is going to do with it, and then to put it in again for another name.

As to joint accounts, we always require a simultaneous declaration by the two parties to the effect that they desire to open an account with the institution subject to its by-laws, and that the money is to be payable to either of them or the survivor. We have been assured that that, although not very formal, was a sufficient declaration of joint account to make us at least safe in paying the money, unless an order is given to the contrary. Mr. Paton, from the ideas expressed by him, would recommend a little more formal way of proceeding.

Once we had trouble with an attorney account and found that a Savings bank at least ought never to pay money on the signature of an attorney. Why? Because the common law, not the civil law, is against them. If the constitutent of the attorney dies, and the morning after his death, we, unsuspectingly, pay money under the power of attorney, we are acting at our own peril. We must not do it. That case is entirely decided and, as a result, we will pay nothing on a power of attorney. We notify the people in whose name the account stands, and they must adopt other means. The attorney may have left his constituent in the best of health twenty minutes before, and by the time he arrives at the bank, the latter may be dead and the bank, in paying, takes all the trouble and risk without any compensating advantages. Therefore, positive proof of the existence of the depositor is only his visual presence, and only he himself can get the money.

Many people, I have no doubt, will agree with Mr. Paton that there ought to be a plain, intelligible statement of intention as to where the money should go. Mr. J. W. Johnson, Assistant Treasurer of the Albany Savings Bank, has been considering some such statement, which would provide that any person may designate his successor to the possession of the money by a declaration on the books of the bank, to whom upon his death the balance of his account shall be payable, leaving power of revoking any trust that may be assumed.

I suppose that the first depositor who conceived the idea of leaving money to somebody else, asked the bank how it should be done; the bank referred the matter to their attorney who had regard to the decision of the courts. The courts, however, thought that these transactions were trusts in the legal sense and they have been interpreted on that assumption ever since. Mr. Johnson's idea will provide a plain statement designating who shall receive the money, while the depositor during his lifetime will retain the disposition of it himself, and I hope that Mr. Johnson will be put on the committee which will handle the matter.

THOMAS B. PATON: May I ask of Mr. Sprague what the Union Dime Savings Institution does if only one party is present, in order to obtain a simultaneous declaration.

MR. SPRAGUE: We give that party, who is present, a blank and tell him to bring it back duly signed by both. Nothing will or can be done until it is so brought back. That is what we call simultaneous declaration.

MR. GEORGE E. LAWSON, of Detroit Mich.: People in Detroit have, for quite a number of years been practising the plan which the gentleman from New York advocates. In very many of the banks—I think in nearly all of them—there is a declaration stamped in the signature book which must be signed by both people interested. It is to this effect: "Payable to both, or either, or the survivor, each granting to the other survivor power of attor-

ney." That is also stamped in the signature book. In the case that one of the parties cannot be present, we act exactly as Mr. Sprague suggests; we send him a blank statement to sign. Although we have never had any claim in the courts, it seems to us that the arrangement answers the purpose of a uniform law.

JOHN MITCHELL, JR., of Richmond, Va.: We have in our State a law that when a person gives a check and dies before the check is presented, that check is not payable by the bank. Mr. Sprague stated that, if the person who has granted power of attorney should die in the interval before the check is presented and the bank make payment, it would do so at its own risk. I should like to know what the liability of a banker is if a person should give a check say at 6 o'clock in the morning and die at 12 o'clock, and the bank pay the check without knowing that the person was dead. Would the bank be liable?

MR. SPRAGUE: The law in this State is quite different as to checks and powers of attorney in Savings banks accounts, and that is just what we look upon as an outrage. One kind of payment is made in the name of a check and therefore perfectly valid until we have notice of decease, while in the case of a Savings bank account it is not so. That is exactly what I complain of and what Mr. Paton complains of.

MR. PATON: The law with regard to powers of attorney and checks is that death in both cases revokes the authority of the one that draws. In the case of checks, however, where the bank without notice of death has made payment, it is protected, although its authority has been revoked; in the case of powers of attorney in Savings bank accounts it is held to the contrary, but I do not think it is good law, and I do not see why the same principle should not apply to both cases alike.

H. V. C. HART, of Adrian, Mich.: I believe this question of legislation for joint-account transactions to be of sufficient importance for the appointment of a special committee instead of referring it to the committee on uniform laws. It seems that this discussion has been of great importance to us in this section, and a special committee to handle the question should, therefore, be appointed.

J. H. JOHNSON, of Detroit: I feel sure that this is the view of the majority of all those present, and I, therefore, propose the following resolution:

Resolved, That the chairman appoint a committee of three to consider the question of a form of uniform law regulating the accounts of depositors opened in two names, and report at the next meeting.

MR. PAINE: I second the motion, with the proviso that Mr. Paton be made consulting counsel of that committee.

MR. JOHNSON: I accept the addition.

MR. SPRAGUE: And also with the proviso that the committee be charged with the preparing of the necessary legislation.

MR. JOHNSON: Yes, that is understood; but I believe that the wording of the resolution as I propose it will cover that point.

The resolution was put to the meeting and carried unanimously.

THE CHAIRMAN: As there seems to be no other discussion on any of the papers, we will pass on to the nomination of the executive committee for the next year. Are there any propositions to be placed before the meeting?

MR. PAINE: I desire to propose the following nominations:

Chairman—Charles E. Sprague, President Union Dime Savings Institution, New York.

Vice-Chairman—Edward E. Duff, Vice-President People's Savings Bank, Pittsburg, Pa.

Members executive committee to serve three years—Lucius Teter, Cashier Chicago Savings Bank, Chicago; Robert J. Hoguet, Trustee Emigrant Industrial Savings Bank, New York; David Hoyt, Secretary and Treasurer Monroe County Savings Bank, Rochester, N. Y.

Member of executive committee to serve two years (in place of Fred Heinz, deceased)—Chas. B. Mills, Cashier People's Trust and Savings Bank, Clinton, Iowa.

In submitting these nominations I hardly think it necessary to accompany them with any eulogistic remarks, as the gentlemen are too well known to require any commendation. I do not think that there is a difference of opinion among those who live in this city, or in this State, for that matter, who are familiar with the activity and ability of Col. Sprague, as to his eminent fitness for the position of chairman.

B. Steiner: I have much pleasure in seconding the proposed nominations.

The Chairman: If there are no other propositions forthcoming, I will put the names of the proposed gentlemen to the vote *en bloc*. Those who are in favor of these gentlemen being appointed, will please signify their assent by saying aye.

Carried by acclamation.

The Chairman: Then it is my pleasure to introduce to you Col. Sprague, chairman of this section for the coming year.

Remarks by Col. Charles E. Sprague.

Gentlemen and Delegate Members of the Savings Bank Section—I hope you will not expect any very extensive remarks from an incoming chairman to be made for practical purposes. Nor will mere talking affect us very particularly, but I do not mind saying a few words of thanks to you for having placed your confidence in me, a confidence which I shall endeavor to the best of my ability to deserve and justify. I also acknowledge, with thanks, the reference to my activity in the city of my adoption and residence which has led to the election of one of its humble representatives to the position of chairman of this body, which is destined to play a very important part in the financial interests of this country. I next congratulate you upon the growth of this, comparatively speaking, infant section, with which I have sympathized from the start. We have made very rapid strides during the past year under the presidency of Mr. Tuttle, my able predecessor. Much of our success during the past two or three years is also due to the hard work, the talent for organization and the genius for detail administration possessed by our able secretary, Mr. William Hanhart.

The Savings bank system itself has developed through evolution, and one of its stages of evolution, as in many other cases, has become that of association. We have seen it in various professions. In our own line of action the whole history covers less than a hundred years. The first Savings banks were chartered institutions and designed, I think, in very closely prescriptive laws, stating what their functions should be and what they should not be. They were left, however, to the good sense of the gentlemen placed at the head. Then came another era, when it became necessary to charter other institutions, the Legislature in each case endeavoring to conform the new provisions to the wants of the community. The banks were to be subjected to various regulations as to the conduct of their business. These regulations vary much for different institutions. It then became evident that the stage of experimentation had been passed as to interior regulation, but there was a necessity to some degree for a reasonable uniformity of charter. Then in our own State and in neighboring States a general Savings bank law became the subject of discussion. The law in our own State was found very satisfac-

tory, but in other States other forms of legislation were resolved upon. Instead of placing all powers into the hands of trustees, there was a body of stockholders who were assumed to stand behind the depositors, till the soil for them and assist in the great object which Savings banks have at heart. There were other proposals, such as Government and postal institutions. And here we meet the representatives of all kinds and manners of legitimate Savings banks, and it has been doubted by some members of the Savings bank associations of some States whether they could unite without clashing. I am a member, and something of a working member, of the Savings Bank Association of the State of New York. At the same time I am working hard in favor of this section, and I do not feel it to trespass upon the ground which our association covers. We are here to compare differences from all points of commerce. Men from San Francisco meet men from New Jersey to discuss the differences of their ways, all of which are very instructive and interesting, the more so the more they diverge. It is the same thing as with men who wish to increase their knowledge by traveling. Here again it is best to go to a country which as different as possible from your own instead of going to your immediate neighbors. It is best to compare extremes. For that same reason I am sorry we did not have anybody present with us to present opposite views to those we have heard in regard to postal Savings banks, because in that case we could have compared notes on the subject.

We have reached, in the laws of the various States, points approaching the highest degree of development, security, supervision and so forth, but some wish that we should produce uniformity of law in all these respects. On the other hand it may be that, owing to local conditions, we do not want such uniformity, but we want to have the points discussed without prejudice, and I believe that this is the tendency of this section.

Our versatile secretary has provided us with a beautiful badge, which distinguishes itself by colors that are national, and it charmingly indicates that our aspirations are those of a national, not a local organization. He has symbolized in other ways the tendency of the Savings banks movement which is said to be other than philanthropic. He has not lost sight of the emblem of the bees by ornamenting the design by three "bees" which are the esoteric meaning of "beneficent, but businesslike."

THE CHAIRMAN: It is now my privilege to vacate the chair in favor of Colonel Sprague.

MR. SPRAGUE: No, sir, you are still in the chair and, you being the more experienced man, I will feel obliged to you, if you will retain the Chair until the proceedings come to a close.

THE CHAIRMAN: There being no further business before us, I declare this meeting adjourned.

LIST OF DELEGATES REGISTERED AT THE CONVENTION.

ALABAMA.

Barnes, B. B., pres. First Nat. Bank, Eutaw.
Bibb, W. A., pres. Morgan Co. Nat. B'k, New Decatur.
Broadus, S. S., cas. Merchants Bank, Florence.
Buck, E. J., pres. City Bank and Trust Co., Mobile.
Burns, C. O., dir. Citizens' Sav. & Tr. Birmingham.
Cobbs, J. B., pres. Alabama Nat. Bank, Birmingham.
Cobbs, J. B., treas. Citizens' Savs. Bk. & Tr. Co., Birmingham.
Cody, Michael, pres. Union Bank and Tr. Co., Montgomery.
Cranford, J. H. pres. Bank of Jasper.
Enslen, E. F., cas. Jefferson Co. Savings Bank, Birmingham.
Farley, Louis B., cas. Merchants & Planters-Farley Nat. Bank, Montgomery.
Fitts, J. H., pres. City Nat. Bank, Tuscaloosa.
Horton, Frank C., sec. and treas. Central Trust Co., Mobile.
Kyle, T. S., vice-pres. First Nat., Gadsden.
Leinkauf, H. W., pres. Leinkauf Banking Co., Mobile.
Manly, W. H., cas. Birmingham Trust & Sav. Co.
Marx, Otto, Otto Marx & Co., Birmingham.
Monk, W. S., asst. cash. and dir. City Nat., Selma.
Northington, Allen, cash. Autauga Banking & Tr. Co., Prattville.
Steiner, B., vice-pres. Steiner Bros., Birmingham.

Whiting, J. W., pres. People's Bank, Mobile.
Willoughby, Chas. D., cas. First Nat. Bank, Mobile.

ARIZONA.

Greer, P. P., cas. First Nat. Bank, Clifton.
Hazeltine, M. B., cas. Bk. of Arizona, Prescott.
Mitchell, Geo., pres. First National, Douglas.
Overlock, C. A., director Bank of Douglas, Douglas.
Porter, J. N., pres. First Nat., Globe.

ARKANSAS.

Boyce, J. E., sec. and dir. Cotton Belt Sav. and Tr. Co., Pine Bluff.
Gaines, Collins, State Nat., Texarkana.
Dummitt, E. L., cas. Pocahontas State Bank, Pocahontas.
Fletcher, J. G., pres. German Nat. B'k, Little Rock.
Foster, W. Y., pres. Hempstead Co. B'k, Hope.
Langford, W. H., pres. Citizens, Pine Bluff.
Lonsdale, J. G., J. G. Lonsdale & Co., Little Rock.
McClure, L. B., asst. cas. People's Ex. Bank, Russellville.
McCoy, H. A., sec. and treas. People's Sav. Bank & Trust Co., Pine Bluff.
Neal, T. M., cas. Bank of Russellville.
Reyburn, S. W., pres. Union Trust Co., Little Rock.
Seelig, S., dir. First Nat., Helena.

CALIFORNIA.

Bartnett, W. J., 2d v. p. Cal. Safe D. and Tr. Co., San Francisco.
Batchelder, Geo. A., mgr. E. H. Rollins & Sons, San Francisco.
Baur, Arthur, Germania Nat., San Francisco.
Bowles, P. E., pres. American Nat., San Francisco.
Elliott, L. L., mgr. Merchants Trust Co., Los Angeles.
French, C. E., pres. Orange Co. Sav., Santa Ana.
Hammond, W. T. S., cas. First Nat. of Los Angeles.
Holliday, W. H., cas. Merchants' Nat., Los Angeles.
Jones, A. B., cas. Southwestern Nat., Los Angeles.
Marble, John M. C., pres. Nat. Bank of California, Los Angeles.
McLaughlin, E., pres. San Jose Safe Dep. Bank, San Jose.
Moffitt, James, vice-pres. First Nat., San Francisco.
Mossin, J. G., vice-pres. American Nat., Los Angeles.
Moulton, Irving F., cas. Bank of California, San Francisco.
Newhall, W. S., pres. Granite Bank & Trust Co., Monrovia.
Off, J. W., asst. cas. State Bank & Tr. Co., Los Angeles.
Radford, Jos. D., pres. Nat., San Jose.
Stuart, H. I., cas. First Nat., Pasadena.
Waite, L. C., pres. First Nat., Riverside.
Wilson, J. K., pres. San Francisco Nat.

COLORADO.

Gibson, F. B., vice-pres. International Trust Co., Denver.
Grigsby, W. C., pres. Bank of Wray.
Holloway, H. K., cas. Trinidad Nat.
Hunt, A. H., cas. First Nat. Bank,
Hunt, A. H., asst. cas. First Nat. Bank, Colorado Springs.
McNeil, John L., vice-pres. First Nat., Durango.
Milner, F. E., pres. Milner & Co., Steamboat Springs.
Milner, F. E., pres. North Park Bank, Walden.
Perkins, W. T., cas. Western Bank, Denver.
Sharp, A. G., pres. Ex. Nat, Colorado Springs.
Stehr, F. W., S. and T., Colorado Title & Trust Co., Colorado.

CONNECTICUT.

Bacon, John W., pres. Savings Bank of Danbury.
Baldwin, S. W., pres. Conn. Nat. Bridgeport.
Baldwin, Wilson L., cas., Stamford Nat.
Barlow, C. C., cas. Yale Nat. Bank, New Haven.
Bass, E. E., Windham Nat., Willimantic.
Bearse, Geo. F., treas. So. Norwalk Savings.
Brooks, H. J., treas., Deep River Savings, Deep River.
Brooks, Isaac W., pres. Brooks Nat., Torrington.
Brown, Robt. A., treas. New Haven Savings.
Bunnell, Fred B., cas., First Nat., New Haven.
Burrows, Wm. H., cas. Middletown Nat., Middletown.
Curtiss, W. P., vice-p., New Haven Trust Co.
Demarest, Richard G., sec. and treas. Southport Trust Co., Southport.
Downs, N. C., sec. and treas. Home Trust Co., Derby.
Fields, Wm. T., pres. Nat. Tradesmen's, New Haven.
Fuller, C. S., cas., First Nat., Suffield.
Furlong, F. P., cas., Hartford Nat.
Gildersleeve, F., pres., First Nat., Portland.
Golden, R. H., pres., South Norwalk Trust Co.
Gowdy, Willis, cas., Thompsonville Trust Co.
Green, Lewis C., cas., Fairfield County Nat., Norwalk.
Griswold, Chas., cas. Guilford Nat.
Holley, S. C., pres. Union Savings, Danbury.
Howard, Alvarado, treas., Savings Bank of Stafford Springs.
Harwood, P. Le Roy, treas. Mariners Savings, New London.
Hoyt, C. E., sec. and treas., South Norwalk Trust Co.
Jerome, Franklin S., pres., First Nat., Norwich.
King, J. H., pres. American Nat., Hartford.
Mann, Hosea, cas., Torrington Nat.
Manson, J. T., pres. Yale Nat., New Haven.
Marsh, F. W., pres. Bridgeport Trust Co., Bridgeport.
Marsh, Edward W., treas. People's Savings, Bridgeport.
Mathewson, Edwin H., pres. City Nat., South Norwalk.
Mygatt, H. S., cas., First Nat. Bank, New Milford.

Newton, W. H., cas., First Nat., Wallingford.
Pepper, Ellis S., receiver Southport Nat.
Phelps, W. H., cas. Hurlburt Nat., Winsted.
Post, E. E., cas., Clinton Nat., Clinton.
Price, H. P., cas., Nat. Bank of Norwalk, Norwalk.
Prince, N. D., cas. Windham Co. Nat., Danielson.
Randall, H. Le Roy, treas., New Milford Savings.
Robinson, F. E., treas. Jewett City Savings Bank.
Rockwell, Chas. L., pres. First Nat., Meriden.
Rowe, Geo. S., treas. Winsted Savings Bank, Winsted.
Sage, John H., cas. First Nat., Portland.
Shelton, H. S., cas. Connecticut Nat., Bridgeport.
Sloper, A. J., pres. New Britain Nat.
Smith, Chas. E., treas. Chester Savings, Chester.
Spencer, A., Jr., pres. Aetna Nat., Hartford.
Spencer, Chas. L., pres. First Nat., Suffield.
Spencer, R. P., pres. Deep River Nat., Deep River.
Staples, F. T., partner James Staples & Co., Bridgeport.
Stevens, H. W., pres. Hartford Nat.
Strong, S. Fred., cas. Mechanics, New Haven.
Taylor, J. P., pres. Charter Oak Nat., Hartford.
Tuttle, A. C., treas. Naugatuck Savings Bank.
Van Keuren, L. N., sec. and treas. Colonial Trust Co., Waterbury.
Walker, W. F., treas. Savings Bank of New Britain.
Whipple, H. V., asst. cas. Merchants Nat., New Haven.
Wildman, A. N., pres. City. Nat., Danbury.
Woodworth, B. L., cas. First Nat., Westport.

DELAWARE.

Gibson, J. Chester, cas. Union Nat., Wilmington.
Jones, Geo. W., cas. First Nat., Georgetown.
Matchett, Charles C., treas. Artisan's Savings, Wilmington.
Phillips, C. F., pres. of Corporation Trust Co., Dover.
Rossell, Jno. S., trust officer Security Trust & Safe Deposit Co., Wilmington.
Smith, J. B., cas. First Nat., Milford.
Winchester, J. P., pres. First Nat., Wilmington.

DISTRICT OF COLUMBIA.

Ailes, M. E., vice-pres. Riggs Nat., Washington.
Baird, Frank, vice-pres. Aetna Banking & Trust Co., Washington.
Livingston, C. H., 2d vice-pres. American Nat., Washington.
Pratt, Fred'k W., Pratt, Ellwood S., A. S. Pratt & Sons, Washington.
Ridgely, Wm. Barrett, Washington.

FLORIDA.

Dismukes, J. T., pres. First Nat., St. Augustine.
Garthside, Chas. H., cas. Bank of Bay Biscayne, Miami.
Lane, Edw. W., pres. Atlantic Nat., Jacksonville.
Lewis, Geo. E., asst. cas. First Nat., Tallahassee.
Penny, Arthur F., cas. Mercantile Exchange, Jacksonville.
Robinson, H., pres. Commercial, Jacksonville.
Rumph, E. C., cas. First Nat., Miami.
Schuyler, Chas. S., cas., Planters' Security, Jensen.
Warten, T. P., State Bank of Orlando.

GEORGIA.

Adler, Leopold, pres. Chatham, Savannah.
Anderson, James T., vice-pres. Marietta Trust & Banking Co.
Blun, Henry, pres. Germania, Savannah.
Carson, J. A. G., pres. Merchants' Nat., Savannah.
Coleman, W. N., dir. First Nat., Sparta.
Goodrich, C. G., cas. Georgia R. R. Bank, Augusta.
Hardwick, Frank T., mgr. C. L. Hardwick & Co., Dalton.
Heffenman, Jas. W., Southern Bank State of Georgia, Savannah.
Hillyer, L. P., cas. American Nat., Macon.
Hood, C. J., cas. Northeastern Banking Co., Commerce.
Lane, Mills B., pres. Citizens of Savannah.
Lowry, Robt. J., pres. Lowry Nat., Atlanta.
Maddox, R. F., 1st vice-pres. Maddox-Rucker Banking Co., Atlanta.
Mandeville, L. C., pres. First Nat., Carrollton.
Manry, W. F., cas. Neal Loan & Banking Co., Atlanta.
McCauley, W. F., vice-pres. Savannah Bank & Trust Co.
Michael, M. G., vice-pres. Athens Savings.
Myers, Hon. Herman, pres. Nat. Bank of Savannah.
Ottley, John K., cas., Fourth Nat., Atlanta.
Paine, Thos. B., Thos. B. Paine & Co., Atlanta.
Powell, H. T., pres. Macon Savings, Macon.
Sanders, C. C., pres. State Banking Co., Gainesville.
Spain, Frank, Jr., cas. Bank of Quitman.
Stetson, E. W., cas. Exchange, Fitzgerald.
Stovall, W. B., asst. sec. Title Guarantee & Trust Co., Atlanta.
Walker, Jno. D., pres. First Nat., Sparta.
Walter, E. D., cas. Nat. Bank of Brunswick.
Wilkins, Jno. J., pres. Georgia Nat., Athens.
Witham, W. S., pres. Farmers' & Traders, Atlanta.
Woodruff, E., pres. Trust Co. of Georgia, Atlanta.

IDAHO.

Chandler, H. A., cas. Citizens' State Bank, Mountain Home.
Rockwell, Irvin E., pres. Watt Banking Co., Hailey.

ILLINOIS.

Abbott, J. J., cas. American Trust & Savings, Chicago.
Ambler, H. E., trust officer Royal Trust Co., Chicago.

Austin, Chas. O., vice-pres. Nat. Bank of North America, Chicago.
Barker, Walter, pres. Com'l Ger. Nat., Peoria.
Barnes, W. F., pres. Manufacturers' Nat., Rockford.
Beaver, C. E., director First Nat., Mt. Carroll.
Beggs, J. R., pres. First Nat., Arcola.
Berbecker, E. N., pres. Arlington Heights State, Arlington Heights.
Blossom, F. F., cas. Central Nat., Peoria.
Bryant, Edw. F., pres. Pullman Loan & Savings Bank, Chicago.
Buck, Ira D., 2d vice-pres. Illinois Nat., Peoria.
Burkhart, Karl, cas. Benton State.
Callender, Eliot, pres. Dime Savings & Trust, Peoria.
Caldwell, Le B., trust officer American Trust & Savings Bank, Chicago.
Cameron, J. H., vice-pres. Hamilton Nat., Chicago.
Campbell, Paul, mgr. N. Y. Steere & Burr, Chicago.
Castle, C. S., cas. Federal Trust & Savings, Chicago.
Castle, C. S., pres. Austin State Bank, Chicago.
Chapman, T. S., pres. Jersey State Bank, Jerseyville.
Crabtree, E. E., partner F. G. Farrell & Co., bankers, Jacksonville.
Crampton, R. L., asst. cas. Nat. of Republic, Chicago.
Crook, E. H., cas. State Bank, West Pullman.
Decker, David, vice-pres. Jackson Trust & Savings, Chicago.
Dubia, Henry A., pres. Industrial Savings Bank, Chicago.
Duncan, N. W., cas. La Salle State Bank.
Durham, E. D., partner Onarga Bank, Onarga.
Drake, D. K., Chicago Rep. of Harvey Fisk & Sons, Chicago.
Eisenmayer, J. C., asst. cas. Eisenmayers' Bank, Lebanon.
Erskine, D. M., pres. D. M. Erskine & Co., Highland Park.
Evans, L. K., asst. cas. First Nat., El Paso.
Farrell, Chas. L., vice-pres. Ft. Dearborn Nat. Bank, Chicago.
Fenton, H. W., N. W. Harris & Co., Chicago.
Fischer, John, pres. Savings of Kewanee.
Flynn, S. R., pres. Nat. Live Stock Bank, Chicago.
Folds, Chas. W., of Charles Hathaway & Co., Chicago.
Furey, Chas. L., vice-pres. American Guaranty Co., Chicago.
George, Wm., pres. Old Second Nat., and pres. Illinois Bankers' Association, Aurora.
Goodell, E. F., cas. John Stewart & Co., St. Charles.
Gorin, O. B., vice-pres. Millikin Nat., Decatur.
Greene, Nelson H., mgr. Greene & Greene, bankers, Tallula.
Hamilton, J. L., vice-pres. and cas. Hamilton & Cunningham, Hoopeston.
Heald, E. A., cas. Canton Nat.
Henschen, H. S., asst. cas. State Bank of Chicago.
Heurtley, Arthur, sec. Northern Trust Co. Bank, Chicago.
Hoag, Wm. J., Bank of Rushville.
Hoag, Wm. G., cas. State Bank of Evanston.
Hight, E. W., cas. Illinois State Bank, Assumption.
Innes, Daniel E., First Nat., Canton.
Johnson, C. J., cas. Bank of Donovan.
Judson, F. P., cas Bankers' Nat. Bank, Chicago.
Keys, Edward D., cas. Farmers' Nat., Springfield.
Knecht, Sam E., sec. State Bank of Chicago.
Lee, Geo. R., asst. cas. Citizens' State Bank, Watseka.
Little, J. S., cas. Bank of Rushville.
McCarthy, John, asst. cas. Continental Nat., Chicago.
McCoy, Homer W., MacDonald, McCoy & Co., Chicago.
McCulloch, F. H., Merchants Loan & Trust Co., Chicago.
McLean, B. F., vice-pres. Union Nat., Macomb.
McWilliams, John pres. Bank of Odell, Odell.
Moulton, D. A., vice-pres. Corn Exchange Nat., Chicago.
Nelson, Frank G., asst. cas. Merchants' Loan & Trust Co., Chicago.
Nichols, Vernon E., cas. First Nat. of Englewood Chicago.
O'Hara, C. F., asst. cas. Home Nat., Elgin.
Orde, Geo. F., cas. and sec. Northern Trust Co., Chicago.
Orelson, Frank G., Merchants' Loan & Trust Co., Chicago.
Otis, Jos. E., pres. Western Trust & Savings, Chicago.
Parsons, E. R., pres. First Nat., Attwood.
Pearsons, H. A., vice-pres. Pearsons-Taft Land Credit Co., Chicago.
Peirce, C. L., Manufacturers' Nat., Rockford.
Perry, I. N., pres. Nat. Bank of North America, Chicago.
Pike, C. B., pres. Hamilton Nat., Chicago.
Pitcher, Lewis W., sec. American Guaranty Co., Chicago.
Parrish, Jas. E., pres. Edgar Co. Nat., Paris.
Reynolds, Geo. M., vice-pres. Continental Nat., Chicago.
Richards, E. E., pres. State Bank of Woodstock.
Richmond, B. G., cas. Kane Co. Bank, Elburn.
Rhodes, Halstead, mgr. Mason, Lewis & Co., Chicago.
Rhodes, W. H., cas. Lewiston Nat.
Robertson, J. R., cas. Jacksonville Nat.
Russell, H., cas. First Nat., Milford.
Rutledge, C. G., cas. Ayers Nat., Jacksonville.
Schmoldt, H. M., pres. First Nat., Beardstown.
Scoville, L. P., vice-pres. Ravenswood Exchange, Chicago.
Shipplett, G. A., asst. cas. First Nat., Abingdon.
Shlaudeman, Harry, pres. Citizens' Nat., Decatur.
Smith, G. B., asst. cas. Com. Nat., Chicago.
Street, R. J., cas. First Nat., Chicago.
Talcott, C. H., cas. Will Co. Nat., Joliet.
Teter, Lucius, cas. Chicago Savings Bank.
Thompson, Wm. C., pres. Wm. C. Thompson Co., bankers, Chicago.

Tilden, Wm. A., cas. Drovers' Deposit Nat., Chicago.
Tracy, F. E., vice-pres. First Nat., Springfield.
Vandeveer, E. A., member H. M. Vandeveer & Co., Taylorsville.
Van Dyke, W. S., sec. Real Estate Trust Co., Pittsburg.
Waldron, E. D., vice-pres. Home Nat., Elgin.
Walton, L. A., vice-pres. Equitable Trust Co., Chicago.
Warfield, W. S., pres. State Savings Loan & Trust Co., Quincy.
Waterman, J. D., pres. Forest City Nat., Rockford.
Woodruff, Geo., vice-pres. First Nat. Bank, Joliet.
Ziehme, A. E., pres. Ravenswood Exchange, Chicago.
Zinser, C. B., bookkeeper First Nat., Chillicothe.

INDIANA.

Allman, W. L., vice-pres. Commercial Bank, Crown Point.
Arrick, Clifford, pres. Arrick & Co., Indianapolis.
Bonner, Walter W., cas. Third Nat., Greensburg.
Bright, Jesse V., cas. Bank of Flora.
Brown, L. C., director First Nat., Richmond.
Carter, Mord, pres. First Nat., Danville.
Church, C. H., cas. Delaware Co. Nat., Muncie.
Cooper, Geo. H., cas. Citizens, Greenfield.
Curless, Arthur E., banker, Curless Bank, Swayzee.
Davis, E. H., cas. First Nat., Aurora.
Ditton, W. C., cas. Bank of Earl Park.
Eitel, Henry, vice-pres. Indiana Nat., vice-pres. Union Trust Co., Indianapolis.
Fleming, S. B., dir. Steuben Co. Bank, Angola.
Fletcher, S. A., vice-pres. Fletcher Nat., Indianapolis.
Frenzel, O. F., cas. Merchants' Nat., Indianapolis.
Gillett, S. P., pres. Citizens' Nat., Evansville.
Golt, W. F. C., cash. Columbia Nat., Indianapolis.
Gray, John, pres. City Nat., Logansport.
Gross, H. O., cas. Manilla Bank.
Hawkins, Martin S., attorney Indianapolis.
Hudnut, B. G., pres. Vigo Co. Nat., Terre Haute.
Hussey, Preston, pres. Nat. State, Terre Haute.
Huthsteiner, W. F., cas. Tell City Nat.
Irwin, Wm. G., cas. Irwin's Bank, Columbus.
Levering, Abraham, vice-pres. Lafayette Savings, Lafayette.
Lindsey, C. T., cas., Citizens' Nat., South Bend.
Lupton, A. G., cas. Blackford Co. Bank, Hartford City.
Marsh, John L., cas. Brownsburg Bank.
Martin, Frank, treas. Indiana Trust Co., Indianapolis.
McCleery, W. W., cas. First Nat., Marion.
McCulloch, J. F., pres. New Albany Nat., New Albany.
Miller, E. H., treas. American Trust Co., South Bend.
Morris, R. A., cas. Fairmount Banking Co., Fairmount.
Niven, R. E., cas. State Bank of Thorntown.
O'Hair, R. L., pres. Central Nat., Greencastle.
Patton, N. W., Fletcher Nat., Indianapolis.
Payne, Gavin L., vice-pres. Security Trust Co., Indianapolis.
Perrin, J., pres. American Nat., Indianapolis.
Powell, F. L., pres. Capital Nat., Indianapolis.
Ragsdale, J. W., pres. Citizens' Nat., Franklin.
Remington, J. E., cas. Whitley Co., South Whitley.
Reynolds, E. B., vice-pres. First Nat., South Bend.
Scott, Harry K., cas. Steuben Co. Angola.
Trotter, John W., attorney, Danville Trust Co., Danville.
Van Camp, Cortland, dir. Central Trust Co., Indianapolis.
Wallace, Ross H., Columbia Nat., Indianapolis.
Windle, W. G., vice-pres. Farmers' Nat., Valparaiso.
Woollen, Evans, counsel American Nat., Indianapolis.

INDIAN TERRITORY.

Genung, Frank S., pres. First Nat., South McAlester.
Halsell, D., Durant Nat.
Trumbo, A. C., vice-pres. and cas. Bank of Muskogee, Muskogee.

IOWA.

Blair, J. H., vice-pres. Des Moines Nat., Des Moines.
Bradley, J. H., cas. First Nat., Centerville.
Brooks, J. T., vice-pres and cas. First Nat., Hendrick.
Crawford, R. A., pres. Valley Nat. Bank, Des Moines.
Denmead, D. T., pres. City Nat., Marshalltown.
Edwards, J. L., pres. Merchants Nat., Burlington.
Ellyson, C. D., cas. Marquardt Savings, Des Moines.
Fletcher, T. J., cas. First Nat., Marshalltown.
Hackworth, J. T., vice-pres. Ottumwa Nat., Ottumwa.
Hamilton, Jas. E., asst. cas. Merchants' Nat., Cedar Rapids.
Hannan, Chas. R., dir. State Savings, Council Bluffs.
Harrington, C. O., cas. Farmers Nat., Vinton.
Harrington, Jr., C. O., Vinton, Iowa.
Hart, Ernest E., pres. First Nat., Council Bluffs.
Heinsheimer, D. L., pres. Mills Co. Nat., Glenwood.
Hubbard, Ackley, cas. Citizens' Nat., Spencer.
Huxford, E. D., cas. Cherokee State Bank, Cherokee.
Jameson, W. R., cas. Clarion Savings, Clarion.
Johnson, E. L., vice-pres. Leavitt & Johnson Trust Co., Waterloo.
Keck, C. M., vice-pres. Citizens' Nat., Washington.
Lamb, Wm. M., banker, Glenwood.
Lofland, C. E., cas. Oskaloosa Nat., Oskaloosa.
Lee, John, pres. Coon Rapids Nat.

Manley, W. P., pres. Security Nat., Sioux City.
McElhinney, F. F., pres. Black Hawk Nat., Waterloo.
McHugh, John, cas. Iowa State Nat., Sioux City.
McKee, D. H., cas. Citizens' State Bank, Mediapolis.
Mills, Chas. B., cas. People's Trust & Savings, Clinton.
Patterson, Dr. S. J., cas. Dunlap Trust & Savings, Clinton.
Pearsall, G. E., cas. Citizens' Nat., Des Moines.
Potter, L. F., pres. First Nat., Harlan.
Rathman, Geo. H., pres. Live Stock Nat., Sioux City.
Smith, F. H., asst. cas. Washington Nat.
Smith, R. R., pres. State Bank of Renwick.
Sperbeck, L., vice-pres. Sibley State, Sibley.
Stevens, L. E., cas. Ottumwa Nat. Bank, Ottumwa.
Van Vechten, Ralph, cas. Cedar Rapids Nat.
Wilson, James J., cas. First Nat., Malvern.

KANSAS.

Bodley, F. E., pres. First Nat., Leroy.
Bowman, W. W., cas. First Nat., Concordia.
Branch, C. M., cas., Citizens, Hutchinson.
Breidenthal, John W., vice-pres. and mgr. Banking Trust Co., Kansas City.
Browne, K. L., cas. Merchants, Kansas City.
Chaffin, E. A., cas. Moline State, Moline.
Chandler, C. Q., pres. Kansas Nat., Wichita.
Christy, R. B., cas. First State, Scott.
Denton, John T., pres. Grenola State Bank.
Fleursch, J. B., cas. Union Nat., Manhattan.
Foster, F. H., vice-pres. State Bank, Parsons.
Guernsey, Geo. T., pres. Commercial Nat., Independence.
Guild, Geo. A., pres. State Bank of Bern, Bern.
Guild, Geo. A., pres. Nat. Bank of Sabetha.
Hinshaw, W. H., pres. State Bank of Sylvia.
Hornaday, F. A., cas. First Nat., Fort Scott.
Jacobia, W., cas. Farmers' State Bank of Corning.
Jobes, A. C., pres. Nat. of Commerce, Wichita.
Johnson, F. M., pres. Belleville State Bank.
Lewis, Thos. D., dir. State, Parsons; dir. State, Savonburg.
McDonald, C. B., cas. Citizens' Nat., Fort Scott.
Meyer, Edw. W., First Nat., Hutchinson.
Moffet, A. H., cas. Moffet Bros. Nat., Larned.
Moses, E. R., pres. Citizens' Nat., Great Bend.
Naftzger, L. S., pres. Fourth Nat., Wichita.
Nelson, Chas. Jr., cas. St. Paul State, St. Paul.
Pierce, S. W., pres. Central Nat., Junction City.

Poulet, Acton, vice-pres. State Bank of A. Poulet, White Cloud.
Price, Geo. G., pres. Stockman's State, Greensburg.
Rogers, James L., cas. First Nat., Pittsburg.
Robinson, W. C., pres. First Nat., Winfield.
Shirk, Geo. G., Lost Springs Bank.
Smith, A. D., Bison State, Bison.
Wilcox, W. E., cas. Home Nat., Arkansas City.
Young, G. H., vice-pres. Cloud Co. Bank, Concordia.

KENTUCKY.

Bransford, C. W., pres. Owensboro Banking Co., Owensboro.
Botts, L. W., vice-pres. Columbia Finance & Trust Co., Louisville.
Dallam, Chas. E., cas. Henderson Nat., Henderson.
Dickinson, T. P., cas. Trigg Nat., Glasgow.
Downing, J. R., cas. Bank of Georgetown.
Escott, James S., pres. Southern Nat., Louisville.
Griffith, J. T., Bank of Commerce, Owensboro.
Hays, E. W., cas. Nat. Bank of Kentucky, Louisville.
Larkin, A. M., cas. German Nat., Newport.
Lee, E. S., cas. First Nat. Bank, Covington.
McClarty, Clint C., cas. First Nat., Louisville.
Murray, Logan C., pres. American Nat., Louisville.
Parrish, James H., vice-pres. Owensboro Savings Bank & Trust Co., Owensboro.
Pollock, J. E., cas. First Nat., Greenup.
Powers, J. D., United States Trust Co., Louisville.
Revill, J. C., cas. Boone Co. Deposit, Burlington.
Rodes, H. C., pres. Citizens' Nat., Louisville.
Soaper, R. H., pres. Henderson Nat., Henderson.
Thomas, O. D., asst. cas., Marion Nat., Lebanon.
Veech, Bethel, vice-pres. United States Trust Co., Louisville.
Walbeck, Henry C., cas. German Ins., Louisville.
Watkins, C. C., cas. Nat. Dep. Bank, Owensboro.

LOUISIANA.

Adler, Wm., pres. State Nat., New Orleans.
Braud, K. J., cas. Bank of Lafourche, Thibodeaux.
Breton, Albert, mgr. Germania Nat., New Orleans.
Broussard, L. O., cas. Bank of Abbeville.
Buck, E. J. vice-pres. Bank of West-Feliciana, St. Francisville.
Dillon, W. F., pres. First Nat., Shreveport.
Dinkins, L. H., vice-pres. Interstate Trust & Banking Co., New Orleans.
Dinkins, James, asst. cas. Bank of Jefferson, Gretna.
Frankel, J., pres. Bank of Acadia, Crowley.
Fulton, J. H., vice-pres. and mgr. Com. Nat., New Orleans.
Gourrier, J. A., cas. Bank of Plaquemine.

Guillemet, Wm. A., cas. Lake Charles Nat., Lake Charles.
Hayden, J. T., pres. Whitney Nat., New Orleans.
Jeffries, James, dir. Rapides Bank, Alexandria.
Lawson, W. E., cas. Bank of Acadia, Crowley.
Lichtenstein, I. M., vice-pres. Commercial Nat. Bank, New Orleans.
Lillie, R., pres. Hammond State.
McCall, Henry, dir. Bank of Donaldsonville.
Nott, G. W., pres. Citizens, New Orleans.
Palfrey, H. S., cas. First Nat., Franklin.
Thibaut, John S., vice-pres. and cas. Bank of Ascension, Donaldsonville.
Wheeler, A. B., pres. United States S. D. and Savings, New Orleans.
Williams, F. B., pres. Bank of Patterson.
Youree, H. H., vice-pres. Commercial Nat., Shreveport.

MAINE.

Allen, Frank E., treas. Union Safe Deposit & Trust Co., Portland.
Allen, Chas. G., cas. Portland Nat., Portland.
Bachelder, Chas. L., cas. Saco Nat., Saco.
Bates, H. D., cas. Merchants' Nat., Waterville.
Butler, Harry, pres. Portland Trust Co.
Hall, H. S., cas. Ticonic Nat., Waterville.
Hill, F. D., cas. Bath Nat.
Low, F. H., cas. Lincoln Nat., Bath.
Moody, Chas. A., pres. First Nat., Biddeford.
Smith, E. L., cas. Nat. Shoe & Leather. Bank, Auburn.
Parcher, S. C., cas. York Nat., Saco.
Potter, C. H., cas. First Nat., Bath.
Wilson, B., cas. Cumberland Nat., Portland.
Winslow, E. B., dir. First Nat., Portland.

MARYLAND.

Annan, D., cas. Second Nat., Cumberland.
Baile, N. H., cas. First Nat., New Windsor.
Chapman, W. J., dir. Maryland Nat., Baltimore.
Clark, James, pres. Drovers' and Mechanics' Nat., Baltimore.
Cloud, W. W., treas. Maryland Savings, Baltimore.
Cunningham, J. H., cas. Farmers' and Mechanics' Nat. Westminster.
Daly, Owen, Owen Daly & Co., Baltimore.
Dixon, Robt. B., pres. Easton Nat.
Edmonds, Richard H., International Trust Co., Baltimore.
Edmunds, James R., vice-pres. and cas. Nat. Bank of Commerce, Baltimore.
Eldridge, C. D., cas. Flook, Gaver, Leatherman, Summers, Grosspickle & Co., Myersville.
Gehr, George R., cas. First Nat., Westminster.
Graham, Albert D., asst. cas. Citizens' Nat., Baltimore.
Haines, H. H., pres. Nat. Bank of Rising Sun.
Hook, J. W., pres. Old Town Nat., Baltimore.
Ingle, W., cas. Merchants' Nat., Baltimore.
James, Henry C., cas. Nat. Bank of Baltimore.
King, H. S., pres. Security Storage & Trust Co., Baltimore.
Littig, John M., pres. Nat. Marine, Baltimore.
Laughlin, J. T., pres. Citizens' Nat., Westernport.
Marriott, Wm., cas. Western Nat., Baltimore.
Mason, Harry M., cas. Com'l and Farmers' Nat., Baltimore.
Matthai, Wm. H., dir. Nat. Exchange, Baltimore.
Morgan, S. C., Alex. Brown & Sons, Baltimore.
Nelson, A. C., Alex. C. Nelson & Co., Baltimore.
Ramsay, John B., pres. Nat. Mechanics, Baltimore.
Randall, John Wirt, pres. Farmers' Nat., Annapolis.
Redue, H. O., cas. Old Town Nat., Baltimore.
Seddon, W. C., Sr., W. C. Seddon & Co., Baltimore.
Sippel, John F., cas. Third Nat., Baltimore.
Sloan, D., pres. Lonaconing Savings.
Stein, Simon H., Stein Bros., Baltimore.
Stover, Wm. Wallace, treas. Mechanics' Loan and Savings, Hagerstown.
Supplee, J. Frank, asst. to pres. U. S. F. & G. Co., Baltimore.
Warfield, W. H. D., pres. Sykesville Bank.
Wheeler, J. R., pres. Commonwealth Bank, Baltimore.
White, L. G., cas. Cecil Nat., Port Deposit.
Wilcox, H. B., cas. First Nat., Baltimore.

MASSACHUSETTS.

Bourne, E. W., cas. New Bedford Safe Deposit & Trust Co.
Bradley, H. L., cas. Hampden Nat., Westfield.
Bradway, C. A., treas. Monson Savings, Monson.
Burrage, H. L., pres. Eliot Nat., Boston.
Church, Edw. A., cas. Boylston Nat., Boston.
Churchill, C. H., cas. Second Nat., Springfield.
Cole, Leland H., cas. Mercantile Nat., Salem.
Comly, Garrard, Eliot Nat., Boston.
Deland, F. N., pres. Nat. Mahaiwe. Great Barrington.
Drury, F. A., vice-pres. Spencer Nat.
Dwinnell, Clinton H., asst. cas. First Nat., Boston.
Fairbairn, R. B., pres. Nat. Rockland, Boston.
Ferrey, I. D., pres. Agricultural Nat., Pittsfield.
Fenno, F. W., cas. Westminster Nat., Gardner.
Fillebrown, C. R., vice-pres. and cas. Brockton Nat.
Fiske, Chas. B., cas. Palmer Nat.
Forbes, Henry D., cas. Nat. Bank of Republic, Boston.
Foster, Jos. L., cas. Webster & Atlas Nat., Boston.
Foye, Lewis A., treas. Lawrence Savings, Lawrence.
Fuller, Henry O., asst. cas. Second Nat., Boston.
Gifford, Josiah H., cas. Merchants' Nat., Salem.
Gilbert, W. E., cas. City Nat., Springfield.

Goodnow, H. F., cas. South End Nat., Boston.
Hallett, H. K., pres. Atlantic Nat., Boston.
Hamilton, James P., vice-pres. Worcester Nat.
Homer, W. N., cas. Fourth Nat., Boston.
Heywood, S. R., pres. People's Savings, Worcester.
Hills, W. F., vice-pres. Traders' Nat., Lowell.
Ilsley, William, cas Merchants' Nat., Newburyport.
Jay, Pierce, vice-pres. Old Colony Trust Co., Boston.
Jewett, Andrew, treas. Fitchburg Savings, Fitchburg.
Johnson, Walter W., treas. Essex Trust Co., Lynn.
Killam, Ubert A., cas. Merrimack Nat., Haverhill.
Marsh, Henry A., vice-pres. Worcester Trust Co.
Marshall, Irving F., N. W. Harris & Co., Boston.
Morris, E. F., cas. Monson Nat.
Paine, Everett, cas. Nat. Grand, Marblehead.
Partridge, Fred F., cas. Home Nat., Holyoke.
Patterson, H. J., American Nat., Boston.
Pease, H. M., Conway Savings.
Pritchard, W. H., cas. Adams Nat., North Adams.
Rollins, Edw. W., pres. E. H. Rollins & Son, Boston.
Ruggles, Chas. A., mgr. Boston Clearing House, Cambridge.
Sayles, Geo. F., cas. First Nat., Adams.
Sprague, H. B., pres. Central Nat., of Lynn.
Sircom, F. R., sec. and treas. Malden
Stevens, J. W., pres. First Nat. of Greenfield.
Stockwell, G. C., partner E. C. Stanwood & Co., Boston.
Tillson, G. E., pres. Middleborough Nat.
Townend, H. G., cas. Fitchburg Nat.
Waid, Charles N., treas. Palmer Savings.
Wentworth, R. S., banker, Boston.

MICHIGAN.

Barbour, Geo. H., director Union Trust Co., Detroit.
Barker, V. T., cas. Home Savings, Kalamazoo.
Belser, F. H., cas. Farmers' and Mechanics, Ann Arbor.
Bishop, A. G., cas. Genessee Co. Savings, Flint.
Bridgman, L. H., asst. cas. Union Trust & Savings, Flint.
Collins, C. F., pres. Wayne Co. Savings Bank, Detroit.
Culver, W. S., pres. Exchange, Brooklyn.
Davis, Milo W., cas. Citizens' Savings, Mount Clemens.
Delano, F. M., Investment Securities, Detroit.
Dey, H., asst. cas. American Exchange Nat., Detroit.
Evans, F. G., cas. Central Nat., Battle Creek.
Farnsworth, Fred E., sec. Michigan Bankers' Association, Detroit.
Field, S., vice-pres. and cas. Merchants' Savings, Battle Creek.
Flinn, E. H., vice-pres. Old Detroit Nat., Detroit.
Ford, J. C., director Commercial Savings, Grand Rapids.
Gallagher, W. F., pres. First Nat., Corunna.
Gorham, F. A., vice-pres. Michigan Trust Co., Grand Rapids.
Hass, Julius H., cas. Home Savings, Detroit.
Hammond, F. E., cas. Muskegon Savings, Muskegon.
Hart, H. V. C., vice-pres. and cas. Lenawee Co. Savings, Adrian.
Hazeltine, C. S., vice-pres. Grand Rapids Nat.
Heath, W. B., cas. State Savings, Ionia.
Hollister, Clay H., cas. Old Nat., Grand Rapids.
Hopkins, W. F., cas. First State Bank of Petoskey.
Jenks, C. C., pres. Commercial & Savings, St. Clair.
Jennison, Frank J., cas. Marquette Nat.
Jennings, H. K., cas. Merchants' Nat., Charlotte.
Johnson, J. H., cas. Peninsular Savings, Detroit.
Jordan, O. O., cas. Union Banking Co., St. Joseph.
Lawson, Geo. E., cas. People's Savings, Detroit.
Leland, Frank B., pres. Detroit United.
Livingstone, Wm., pres. Dime Savings, Detroit.
Martin, James, asst. cas. Genesee Co. Savings, Flint.
McCoy, Daniel, pres. State Bank of Michigan, Grand Rapids.
McPherson, Alex., pres. Old Detroit Nat., Detroit.
Moss, W. E., Noble Moss & Co., Detroit.
Parsons, Howard H., U. S. Savings, Detroit.
Peck, Geo., pres. Michigan Savings, Detroit.
Ritchie, G. W., cas. First Nat., Kalamazoo.
Runnels, C. N., cas. The Commercial, Port Huron.
Russell, Geo. H., pres. State Savings Bank, Detroit.
Seager, Jas. H., pres. Mich. Bankers' Association, Houghton.
Smith, E. N., cas. Commercial Savings, Adrian.
Spalding, Geo. vice-pres. First Nat., Monroe.
Sparrow, E. W., pres. City Nat., Lansing.
Spinning, Chas. M., pres. Jackson State Savings.
Taylor, O. B., director Home Savings Bank, Detroit.
Tillotson, Frank F., cas. Citizens' Savings, Detroit.
Unger, Irene B., asst. to pres. Old Detroit Nat., Detroit.
Waine, W. W., asst. sec. Michigan Bankers Association, Detroit.
Waldby, H. B., cas. Waldby & Clay State, Adrian.
Williams, M. L., pres. Com. Nat., Detroit.
Willson, Dr. J. C., vice-pres. Genesee County Savings, Flint.
Wing, Austin E., asst. cas. State Savings, Detroit.
Wright, C. A., pres. Superior Savings, Hancock.

MINNESOTA.

Anderson, A. C., pres. St. Paul Nat., St. Paul.

Canfield, N. F., vice-pres. and cas. First Nat., Austin.
Brohough, G. O, pres. First Nat., Dawson.
Catlin, Chas., cas. First Nat., Cottonwood.
Chapman, Jr., Jos., cas. Northwestern Nat., Minneapolis.
Clark, Kenneth, pres. Merchants' Nat., St. Paul.
Culver, D. S., cas. Nat. German-American, St. Paul.
Davidson, A. R., cas. First Nat., Little Falls.
Edwards, R. H., Edwards-Cook Co., St. Paul.
Ellington, Lewis, cas., Scandia-American, Crookston.
Gress, Cliff, cas. Citizens' Bank, Cannon Falls.
Harris, W. S., asst. cas. Nat. of Commerce, Minneapolis.
Havill, O. H., pres. Merchants' Nat., St. Cloud.
Hegerle, M. H., cas. State Bank of St. Bonifacius.
Mitchell, John R., vice-pres. Winona Deposit, Winona.
Moore, Henry L., treas. Minnesota Loan and Trust Co., Minneapolis.
Pease, Geo., cas. Citizens' Nat., Faribault.
Piper, Geo. F., director Security Bank, Minneapolis.
Power, Geo. C., pres. Second Nat., St. Paul.
Prentiss, S. L., vice-pres. Second Nat., Winona.
Rich, John H., vice-pres. Goodhue Co. Nat., Red Wing.
Schroeder, O. H., cas. First Nat., Minnesota Lake.
Smith, Chas. H. F., Chas. H. F. Smith & Co., St. Paul.
Strong, Edward, Northfield Nat.
Willis, F. O., asst. treas. State Savings, St. Paul.

MISSISSIPPI.

Ballard, E. F., vice-pres. and cas. Bank of Waynesboro.
Becker, F. F., cas. Commercial, Brookhaven.
Bennett, R. L., pres. First Nat., Yazoo City.
Broach, Walker, asst. cas. First Nat., Meridian.
Bull, S. C., Jr., cas., Citizens, Greenville.
Burwell, S. L., asst. cas. Bank of Commerce, Lexington.
Campbell, A. G., pres. First Bank, Natchez.
Carter, J. P., pres. Nat. Bank of Commerce, Hattiesburg.
Carter, Samuel S., pres. First Nat. Bank, Jackson.
Chapman, E. C., cas. Merchants' & Farmers', Columbus.
Griffis, John W., pres. Grenada Bank.
Gross, Isidor, director Mississippi State, Canton.
Haas, Sam'l, dir. First Nat., Aberdeen.
Johnston, C. A., pres. First State, Columbus.
Jones, R. W., Sr., dir. Merchants' & Farmers' Bank, Macon.
King, W. A., vice-pres. First Nat., Gulfport.
Lightcap, H. B., vice-pres. and cas. Com'l State, Yazoo City.
Nance, A. B., cas. First Nat., Greenville.
Rush, Phil A., pres. Tate Co., Senatobia.
Saunders, R. L., pres. Bank of Wesson.
Tomlinson, S. A., cas. Bank of Commerce, Gulfport.
Troy, C. W., cas. Bank of Tupelo.
Willing, Jr., R. P., vice-pres. Bank of Hazlehurst.
Wilson, G. A., pres. Delta Bank, Greenwood.

MISSOURI.

Aglan, Leslie, partner John N. Drummond, Jr., & Co., St. Louis.
Arnold, John B., asst. cas. Third Nat., St. Louis.
Baird, Frank, Baird Nat., Kirksville.
Berger, W. E. cas. Jefferson, St. Louis.
Brock, Jas. E., sec. Mississippi Valley Trust Co., St. Louis.
Chase, J. A., cas, Mountain Grove Bank.
Chinn, W. S., cas. Webb City, Webb City.
Edwards, Albert N., vice-pres. Commonwealth Trust Co., St. Louis.
Emerson, C. A., cas. Bank of Amsterdam.
Enright, Albert J., sec. Missouri Valley Trust Co., St. Joseph.
Everhard, G. G., cas. St. Joseph Stock Yards.
French, C. E. cas. Nat. of Rolla, Rolla.
Hamsher, C. F., cas. Bank of Mound City.
Hill, Walker, pres. American Exchange, St. Louis.
Hilliard, H. P., vice-pres. and cas. Mechanics' Nat., St. Louis.
Huston, J. P., cas. Wood & Huston, Marshall.
Jobes, C. S., pres. American Nat., Kansas City.
Lewis, J. A., cas Nat. Bank of Commerce, St. Louis.
Little, Wm. C., pres. Little & Hays Investment Co., St. Louis.
Moffitt, Wm., asst. treas. Mercantile Trust Co., St. Louis.
Marshall, F. E., vice-pres. Nat. of Commerce, St. Louis.
Martin, O. H., New England Nat., Kansas City.
McAllister, E. D., cas. Nat. of St. Joseph, St. Joseph.
Morris, Joel T., cas., Bank of Sparta, Sparta.
Pittman, Wm. Daviess, Mississippi Valley Trust Co., St. Louis.
Rubey, Harry M cas. State Ex., Macon.
Sayle, E. O., pres. First Nat., Grant City.
Schneider, J. G., vice-pres. German-American, St. Joseph.
Smith, Charles F., cas., La Belle Savings Bank.
Stumpe, F. W., pres. Bank of Washington.
Swinney, E. F., pres. First Nat., Kansas City.
Van Osdell, F. G., asst. cas. Dade Co. Bank, Greenfield.
Wade, Festus J., pres. Mercantile Trust Co., St. Louis.
Webb, F. W., cas. Crawford Co. Farmers, Steelville.
Wilson, Geo. W., vice-pres. and treas. Mercantile Trust Co., St. Louis.

MONTANA.

Clark, W. A., of W. A. Clark & Bro., Butte.
Hodgens, Thos M., cas. State Savings, Butte.

Moss., P. B., pres. First Nat. Bank, Billings.
Powell, C. W., cas. First Nat. Bank, Plains.
Ramsey, George L., pres. Union Bank & Trust Co., Helena.

NEBRASKA.

Bowen, A. L., director Farmers' & Merchants,' Kennard.
Burnham, S. H., pres. First Nat., Lincoln.
Clarke, A. L., pres. First Nat., Hastings.
Drake, Luther, cas. Merchants' Nat., Omaha.
Flack, John F., treas. City Savings Omaha.
Folda, E. F., cas. banking house of F. Folda, Schuyler.
Frantz, H. K., cas. Farmers' & Mechanics', Havelock.
Gurney, E. R., vice-pres. First Nat., Fremont.
Halstead, E. E., pres. and cas. Bank of Dixon Co., Ponca.
Haskell, J. D., treas. Farmers and Traders, Wakefield.
Hord, T. B., pres. Central City bank.
Hurlburt, C. G., cas. Merchants' Bank, Utica.
McIntosh, Jos. J., pres. American, Sidney.
Ostenberg, W. H., cas. Farmers & Merchants, Malmo
Sandrock, E., cas. Geneva State Bank.
Updike, P. H., pres. Union State, Harvard.
Waite, C. E., cas. Omaha Nat.
Yont, E. C., cas. Bank of Brock.

NEW HAMPSHIRE.

Brown, E. R., pres. Stafford Nat., Dover.
Bugbee, Perley R., cas. Dartmouth Nat., Hanover.
Hamlin, Frank W., pres. Connecticut River Nat., Charlestown.
Hatch, O. C., pres. Little Nat. Bank, Littleton.
Horne ,J. R., vice-pres. Somersworth Savings.
Horne, Jesse R., vice-pres. Somerworth Savings, Somerworth.
Mason, W. L., cas. Keene Nat.
Sawyer, F. W., cas. Souhegan Nat. Bank, Milford.
Shillaber, C. F., cas. Nat. Mechanics' & Traders' Bank, Portsmouth.
Walton, Wm. C., cas. New Hampshire Nat., Portsmouth.

NEW JERSEY.

Adams, A., pres. Essex Co. Trust Co., East Orange.
Ashley, Edw. W., director People's Bank, East Orange.
Bachman, John A., cas. Phillipsburg Nat.
Baldwin, Wm. A., vice-pres. Bloomfield Nat.
Bell, Edw. T., pres. First Nat., Paterson.
Bishop, W. H., pres. Union Nat., Mount Holly.
Blauvelt, Wm. D., pres. Second Nat., Paterson.
Bonnell, E. H., pres. Second Nat., Orange.
Brown, Arthur M., cas. Keyport Banking co., Keyport.
Campbell, E. S., pres. Nat. Newark Banking Co., Newark.
Campbell, John A., pres. Trenton Banking Co.
Carragan, Geo., pres. Bayonne Bank, Bayonne.
Claypool, A. I., cas. Bordentown Banking Co.
Colyer, Chas. G., sec. and treas. City Trust Co., Newark.
Condit, O. H., sec. and treas. Essex Trust Co., East Orange.
Corlell, John H. B., sec. and treas. Morristown Trust Co.
Crane, H. D., sec. and treas. Montclair Savings, Montclair.
Davidson, Geo., cas. Tradesmen's Bank, Vineland.
Dawes, T. B., cas. First Nat., Blairstown.
Doctor, Chas. D., cas. Elizabethport Banking Co., Elizabeth.
Dodd, Lewis K., cas. Bloomfield Nat.
Drake, A. A., sec. and treas. Newton Trust Co., Newton.
Dutton, R. J., treas. Burlington Savings Inst., Burlington.
Edge, N. J., cas. Hudson Co. Nat., Jersey City.
Egner, F. W., sec. and treas. Fidelity Trust Co., Newark.
Evans, Chas., pres Atlantic City Nat.
Faulks, E. A., cas. Citizens, Elizabeth.
Field, Wm. J., treas. Commercial Trust Co. of New Jersey, Jersey City.
Fisher, E. A., cas. Boonton Nat., Boonton.
Flitcraft, Wm. Z., cas. First Nat., Woodstown.
Flynn, M., cas. First Nat., Princeton.
Foster, S. P., pres. First Nat., Elmer.
Franklin, W. M., pres. People's, East Orange.
Freeman, S., pres. Morristown Trust Co., Morristown.
Godfrey, Carlton, pres. Guarantee Trust Co., Atlantic City.
Gould, Geo. H., treas. Fifth Ward Savings, Jersey City.
Haas, J. Franklin, cas. Summit Bank.
Haines, Nathan, cas. Mechanics' Nat., Burlington.
Halsted, E. Z., cas. Paterson Nat.
Hamilton, E. S., cas. Bayonne Bank.
Heppenheimer, Wm. C., pres. Trust Co. of New Jersey, Hoboken.
Herbert, H. G., cas. First Nat., Bound brook.
Hough, F. M., pres. Newton Trust Co., Newton.
Howe, Ed., pres. Princeton Bank.
Howe, E. L., Princeton Bank.
Howell, J. C., pres. Merchants' Nat., Newton.
Hunt, W. D., cas. First Nat., Pennington.
Hurff, Wm. K., treas. Security Trust Co., Camden.
Hutchinson, John, Bordentown.
Huyssoon, A. B., treas. Silk City S.
Huyssoon, A. B., treas. Silk City S. D. and Tr. Co., Paterson.
Joline, Henry, Cas Long Branch Banking Co.
Jones, A. J., sec. and treas. New Brunswick Trust Co.
Jones, Garrett S., cas. Rahway Nat.
Leigh, B. V., cas. Clinton Nat.
Leigh, A. S., pres. First Nat., Princeton.
Low, Henry A., cas. First Nat., Tom's River.

Lushear, John W., pres. North Ward Nat., Newark.
McCarter, U. H., pres. Fidelity Trust Co., Newark.
McKinney, J. F., cas. Palisades Trust & Guaranty Co., Englewood.
Merritt, D. H., vice-pres. Nat. Newark Banking Co., Newark.
Merselis, Edward I., sec and treas. Paterson Sav. Inst.
Moeller, F. R., treas. West Side Trust Co., Newark.
Moore, Wm. G., cas Trenton Trust and S. D. Co., Trenton.
Nelden, R. J., cas First Nat. Bank, Paterson.
Nekervis, T. S., sec. and treas. Central Trust Co., Camden.
Newell, T., cas. First Nat., Elmer.
Newkirk, J. S., sec and treas. Provident Inst. for Savings, Jersey City.
Nixon, J. H., cas. Chelsea Nat., Atlantic City.
Noe, Chas. S., pres. Mechanics' Trust, Bayonne.
Parker, H. G., cas Nat. of New Jersey, New Brunswick.
Parmelee, Henry H., sec. and treas. Hamilton Trust Co., Paterson.
Pierson, E. S., pres. Greenville Banking & Trust Co., Jersey City.
Pond, Harry H., cas. Vineland Nat., Vineland.
Pratt, Walker T., asst. treas. Security Trust Co., Camden.
Pugh, J. H., pres. Mechanics' Nat., Burlington.
Rumsey, H. M., cas. Salem Nat. Banking Co., Salem.
Riley, Frank M., cas. Cumberland Nat., Bridgeton.
Rittenhouse, W. S., cas. First Nat., Washington.
Saxe, E. T., broker, Newark.
Schanck, T. E., cas. People's Nat., New Brunswick.
Scheerer, Wm., pres. Union Nat., Newark.
Sendensticker, C. A., Princeton Bank, Chelsea.
Schakleton, James H., sec. and treas. Fidelity Trust Co., Newark.
Shearman, James C., sec. and treas. Passaic Trust & Safe Deposit Co., Passaic.
Shultz, C. S., pres. Hoboken Bank for Savings, Hoboken
Silvers, John S., pres. First Nat., Cranbury.
Solliday, C., pres. Lambertville Nat.
Southard, M. I., vice-pres. Merchants' Nat., Newton.
Spencer, L. F., cas., First Nat., Ridgewood.
Taylor, W. H., cas. First Nat., Somerville.
Thompson, J. B., pres. Chelsea Nat., Atlantic City.
Tomlinson, S. L., cas. Union Nat., Mt. Holly.
Trenchard, James W., pres. Bridgeton Nat.
Wardell, Chas. H., cas. Farmers' and Merchants' Nat., Matawan.
Ware, John S., treas. Cumberland Trust Co., Bridgton.
Waring, L. E., dir. Plainfield Trust Co.
Weinman, Max, vice-pres. Marine Trust Co., Atlantic City.
Welsh, J. W., vice-pres. Clinton Nat.
Wickes, F. R., cas. People's, East Orange.
Wilson, Ralph O., Bloomfield Nat.
Winsor, Henry C., pres. Asbury Park and Ocean Grove Bank, Asbury Park.

NEW MEXICO.

Anderson, H. J., pres. First Nat., Alamogordo.
Byerts, W. H., banker, Socorro, N. M.

NEW YORK.

Adams, F. B., sec. Union Trust Co., Albany.
Adsit, Chas., pres. First Nat., Hornellsville.
Allen, Fred P., cas. German-American, Rochester.
Alliger, John B., treas. Ulster Co. Savings Inst., Kingston.
Avery, D. A., cas. Second Nat., Utica.
Backer, E. R., pres. Merchants' Nat., Elmira.
Barnes, F. L., asst. cas. Nat. of Syracuse.
Barrett, Thos. W., treas. Poughkeepsie Trust Co., Poughkeepsie.
Bayles, James E., vice-pres. Bank of Port Jefferson.
Beach, C. T., cas. Sandy Hill Nat.
Beekman, D., pres First Nat., Middleburg.
Bell, Samuel R., cas. Larchmont Nat. Bank.
Bissell, A. D., pres. People's Bank, Buffalo.
Boland, C. G., pres. Lackawanna Nat., West Seneca.
Brewer, R. G., vice-pres. and treas. Union Savings of Westchester Co., Mamaroneck.
Brewster, Henry C., pres. Traders' Nat., Rochester.
Brown, Chas. asst. cas. Mt. Kisco Nat.
Brown, Jas. Noel, pres. First Nat., Huntington.
Bullock, Jr., C. C., asst. cas. Nat. Exchange, Albany.
Burdick, F. L., cas. First Nat., Tully.
Burhans, Chas., treas. Kingston Savings, Kingston.
Byrns, Robt. H., cas. Citizens' Nat., Potsdam.
Campbell, A. M., pres. Mt. Vernon Trust Co., Mt. Vernon.
Carpenter, Harry M., vice-pres. Ossining Nat., Ossining.
Carpenter, T. Ellwood, pres. Mt. Kisco Nat. Bank.
Carr, Wm. S., cas. Chemung Canal Trust Co., Elmira.
Chapman, Frank, pres. Ogdensburg Bank.
Clarabut, Geo. G., cas. Farmers' Nat., Rome.
Clark, Jas. L., cas. Sidney Nat.
Clark, H. A., pres. Oswego Nat.
Clarke, F. J. R., pres. Nat. Ulster Co. Bank, Kingston.
Clarke, H. W., cas. State Nat., North Tonawanda.
Clark, Louis J., Pulaski Nat.
Coaney, Chas. F., asst. to pres. German Bank, Buffalo.
Compton, J. R., cas. Niagara Co. Nat., Lockport.
Cook, Ernest H., asst. cas. Plaza Bank.
Cogswell, L., pres. N. Y. State Nat., Albany.
Crandall, W. H., pres. University, Alfred.
Crissey, H. J., pres. Cattaraugus Co. Bank, Little Valley.
Cromwell, David, pres. First Nat., White Plains.
Curtiss Milton E., cas. First Nat., Fishkill Landing.

De Ronde, H. M., Woodhaven Bank, Woodhaven.
Dewey, F. D., cas. First Nat., Kingston.
Doty, Wm. H., pres. First Nat. Bank, Yonkers.
Douglas, W. E., director First Nat., Middletown.
Dow, Chas. M., pres. Chautauqua Co. Trust Co., Jamestown.
Dow, D. C., cas. First Nat., Cobleskill.
Durland, B. C., cas. Chester Nat. Bank.
Duryee, J. F., cas. Suffern Nat., Suffern.
Eldred, E. O., cas. Owego Nat.
Elixman, T., pres. Westchester Trust Yo., Yonkers.
Elting, P. J., pres. Westchester Trust Co., Yonkers.
Ellegood, S. G., sec. Sing Sing Savings, Ossining.
Ferguson, G. A., Westchester Co. Nat. Bank, Peekskill.
Flagler, G. S., asst. cas. Nat. Bank of Westfield.
Foster, Howard E., pres. Central Bank of Westchester Co., White Plains.
French, Andrew J., pres. Nat. State.
Gallogly, J. J., cas. Nat. Exchange, Albany.
Garlock, Frank, cas. First Nat., Newark.
Gay, D. N., cas. Glen Cove Bank.
Gesner, John M., cas. Nyack Nat.
Golding, Harry A., mgr. Greenwich Bank, B'way branch.
Gough, Harry M., sec. Empire Trust Co.
Haight, Walter F., cas. Bank of Millbrook, Millbrook.
Hall, Wm. S., cas. Freeport Bank.
Hamill, S. M., pres. Schenectady Trust Co.
Hannis, H. E., cas. Citizens' Nat., Fulton.
Harris, Chas. N., cas. Man. & Merchs. Bank, Gloversville.
Holden, A. M., pres. Bank of Honeoye Falls.
Hopping, Daniel M., sec.-treas. Mt. Vernon Trust Co.
Hoskins, Chas. cas. Cayuga Co. Nat., Auburn.
Hotchkiss, Frank A., pres. Millerton Nat.
Hutton, Geo., director Rondout Nat. Bank, Kingston.
Howe, F. E., cas. Manufs. Nat., Troy.
Howes, Jas. E., sec. Westchester Trust Co., Yonkers.
Howland, Wm. L., pres. Manufacturers' Nat., Mechanicsville.
Hoyt, David, sec. and treas. Monroe Co. Savings, Rochester.
Hoyt, Frank J., cas. Hoyt & Ellis, Antwerp.
Hulbert, Chas. F., treas. Yonkers Savings, Yonkers.
Humphreys, Wm. D., cas. Tarrytown Nat.
Humphrey, W. J., pres. Wyoming Co. Nat., Warsaw.
Ingman, John W., First Nat., Port Chester.
Jarvis, G. M., cas. Second Nat., Cooperstown.
Kline, Francis A., cas. First Nat., Port Jefferson.
Kent, Robt. D., pres. Maiden Lane Nat.
Kirby, Ralph W., cas. First Nat., Bainbridge.
Kirby, John R., Milford Nat.
Kirkland, Hugh N., asst. cash. Nat. Com., Albany.
Lamb, Anthony, cas. Commercial Nat., Syracuse.
Lester, Henry M., pres. Nat. City, New Rochelle.
Lyford, F. E., pres. First Nat. Bank, Waverly.
McClellan, Clarence S., pres. First Nat., Mount Vernon.
McComb, Wm. E., pres. Nat. Ex., Lockport.
McGarrahan, M. F., cas. People's Nat., Malone.
McNair, E. O., pres. Bank of Warsaw, Warsaw.
McNair, E. O., pres. Commonwealth Trust Co., Buffalo.
Mallaby, Leonard B. asst. cas. Phenix Nat.
Mapes, Chas. H., cas., First Nat., Spring Valley.
Mason, A. E., cas. Glens Falls Trust Co.
Massey, Geo. B., pres. Jefferson Co. Nat., Watertown.
Merchant, J. H., pres. Nat., of Stamford, Stamford.
Milmine, E. L., cas. Mohawk Nat., Schenectady.
Mott, Charles S., cas. Bank of Northport, Northport.
Mott, Henry S., pres. Bank of Northport.
Palmer, A. R., cas. Exchange Nat., Bank, Seneca Falls.
Peck, Chas. A., cas. First Nat., Mexico.
Peck, E. W., Finance Committee German-American Bank, Rochester.
Phelps, H. P., asst. cas. Cazenovia Nat.
Potter, John A., pres. Patchogue Bk.
Pratt, D. M., pres Second Nat. Elmira.
Pruyn, F. Eldred, cas. Corinth Nat.
Pruyn, F. F., cas. Merchants Nat., Glens Falls.
Pugsley, C. A., pres. Westchester Co. Nat. Bank, Peekskill.
Rand Geo. F., pres. Columbia Nat., Buffalo.
Rand, Jas. H., Benj. L. Rand & Co., North Tonawanda.
Randall, Henry M., pres. Bank of Port Jefferson.
Robertson, Fred'k, Fred'k Robertson & Co., North Tonawanda.
Runkle, Delmer, cas. People's Nat., Hoosick Falls.
Ruth, John A., cas. Bank of Lawrence.
Sandford, M. S., vice-pres. and cas. Geneva Nat., Geneva.
Santee, J. E. B., cas. Citizens Nat., Hornellsville.
Sawyer, J. T., pres. Citizens Bank, Waverly.
Sexton, F. S., cas. Fulton Co. Nat., Gloversville.
Seymour, A. D., vice-pres. Manufacturers' Nat., Brooklyn.
Shelley, Fred M., cas. First Nat., Rome.
Sherman, J. S., pres. Utica Trust & Deposit.
Smith, Geo. D., cas. Nat. Herkimer Bank, Little Falls.
Smith, Hiram A., pres. Bank of Rockville Centre.
Smith, H. R., cas. Bk. of North Hempstead, Port Washington.
Smith, J. H., cas. Citizens' Bk., Arcade.
Snedeker, J. A., cas. Cent'l of Westchester Co., White Plains.

Sprague, Kenneth A., Sullivan Co. Nat., Liberty.
Sprague, W. E., cas. Sullivan Co. Nat., Liberty.
Swanton, T. J., cas. Commercial, Rochester.
Taber, W. L., cas. Herkimer Nat.
Thomas, C. B., pres. Citizens' Nat., Saratoga Springs.
Throop, Charles M., pres. Schoharie Co. Bank, Schoharie.
Tremper, C., cas. First Nat., Albany.
Tuthill, H., pres. Chester Nat.
Van Antwerp, T. I., vice-pres. Union Trust Co., Albany.
Van Inwegen, C. F., pres. First Nat., Port Jervis.
Van Wagenen, John R., pres. First Nat., Oxford.
Vay, P. A., cas. Flour City Nat., Rochester.
Wait, W. A., cas. Glens Falls Nat.
Wallace, B. L., cas. Dobbs Ferry Bk.
Ward, B., pres. Le Roy Nat.
Wardwell, N. P., cas. Watertown Nat., Watertown.
Weppner, Edw. A., cas. German-American, Buffalo.
West, Wm. M., pres. Nat. Hamilton Bank, Hamilton.
Wiggins, Milton G., pres. Citizens Nat. Patchogue.
Wilcox, J. N., cas. First Nat., Port Chester.
Wilsdon, Geo. R., cas. Nat., Cohoes.
Wood, H. N., pres. Nat. of Haverstraw.
Wyman, Eugene, cas. Citizens Nat., Port Henry.
Wyckoff, John L., cas. Woodhaven Bank, Woodhaven.

NEW YORK CITY.

Adams, G. W., cas. Oriental Bank.
Agnew, C. R., asst. sec. Farmers L. & Trust Co.
Allen, J. F., rep. Oriental Bank.
Alexander, Jas. K., cas. (26th Ward Branch) Mechanics Bk., Brooklyn.
Armstrong, Jr., David W., Nat. Surety Co.
Armstrong, Russell, Harvey Fisk & Sons.
Avery, Edw. S., 19th Ward Bank.
Babcock, P. S., trust officer Colonial Trust Co.
Backus, C. D., cas. First Nat.
Baker, Stephen, pres. Bank of Manhattan Co.
Bambey, J., Knickerbocker Trust Co.
Barnes, Eugene F., treas. East Brooklyn Savings, Brooklyn.
Bayne, S. G., pres. Seaboard Nat.
Becker, C. A., pres. Bronx Borough Bank.
Bell, J. C., vice-pres. Nassau Bank.
Bergen, John W. H., sec. Broadway Trust Co.
Bizallion, Henry H., cas. Riverside.
Blish, Geo. H. A. C., Imp. & Traders Nat. Bank.
Bogart, C. W., pres. Twenty-third Wd. Bank.
Bonner, Paul E., cas. North Side Bk., Brooklyn.
Borg, M. E., Simon Borg & Co., New York City.
Braine, Clinton E., vice-pres. 34th St. Nat.
Brandon, John R., Spitzer & Co., New York City.
Brown, Richard D., Mgr. Corn Exch. Bk. 42nd St. Branch.
Bull, A. M., cas. Phenix Nat.
Cambell, Alex. D., asst. cas. Hanover Nat. Bank.
Cannon, Jas. G., vice-pres. 4th Nat. Bank.
Cardozo, Wm. B., asst. sec. Farmers Loan & Trust Co.
Carse, H. R., asst. cas. Hanover Nat.
Chapin, Jr., Henry, vice-pres. Nat. Bk. of North America.
Chatry, Raymond J., sec. Trust Co. of America.
Cherrill, Edward K., Merchants Exch. Nat.
Cleverley, W. K., asst. cas. Seaboard Nat.
Colgate, Craig, N. W. Halsey & Co.
Conover, Samuel S., vice-pres. Irving Nat.
Coombe, H. Bernard, Malcom & Coombe.
Corey, C. T., of Holbrook & Corey, Bankers.
Cox, A. S., asst. cas. Merchants Nat.
Curtis, A. H., cas. National Bank of North America.
Davies, Wm. A., mgr. Corn Exch., 5th Ave. Branch.
Davis, J. H., asst. cas. Seaboard Nat.
Davison, H. P., vice-pres. First Nat.
Day, Alfred W., asst. cas. Mercantile Nat.
Devlin, W. H., cas. Jefferson Bank.
Dimse, Henry, cas. Citizens-Central Nat. Bank.
Donald, James M., vice-pres. Hanover Nat. Bank.
Edwards, Charles Jerome, vice-pres. Merchants, Brooklyn.
Edwards, Geo. E., cas. 23d Ward Bk.
Edwards, R. L., pres. Nat. Bank of North America.
Eldridge, F. L., 1st vice-pres. Knickerbocker Trust Co.
Fahnestock, G. D., 2d vice-pres. Franklin Trust Co., Brooklyn.
Farlee, R. D., of J. S. & R. D. Farlee.
Field, Frank Harvey, dir. Williamsburg Trust Co., Brooklyn.
Fisher, Edmund D., sec. Flatbush Tr. Co., Brooklyn.
Fowler, Fred'k., cash. N. Y. County Nat. Bank.
Foxcroft, Frederick O., asst. cas. Nat. Park.
Frazier C., pres. East River Savings.
Frew, W. E., vice-pres. Corn Exch. Bank.
Gilbert, A., pres. Market and Fulton Nat.
Gillespie, Lawrence L., vice-pres. Equitable Trust Co.
Gerken, John, pres. United Nat. Bank.
Grant, Rollin P., cas. N. Y. Nat. Exch. Bank.
Griswold, S. M., pres. Union, Brooklyn.
Gubelman, Oscar L., vice-pres. Guaranty Trust Co. of New York.
Hall, Geo. P., asst. cas. Bank of N. Y. N. B. A.
Halls, W., Jr., vice-pres. Hanover Nat.
Halpin, F., cas. Chemical Nat.
Hasler, Henry, pres. Citizens Savings Bank.
Hawes, Wm. A., cas. Greenwich Bk.
Heely, A. V., asst. sec. Farmers Loan & Trust Co.
Hein, A. J., mgr. Houston St. Branch, Jefferson Bank.
Hepburn, A. B., pres. Chase Nat.
Hoguet, R. J., pres. Bank of Washington Heights.
Hollender, B., Corn Exchange, Broadway Branch.
Jones, Thos. N., asst. cash. Nat. Park Bank.
Jones, W. O., assist. cas. National Park Bank.

Johnson, Edw., pres. Peoples Trust Co., Brooklyn.
Kern, Wm., sec. Dollar Savings Bank.
Knowles, A. A., vice-pres. Mechanics Nat.
Krug, W. B., asst. cas. Mutual Bank.
Kuhne, Percival, Knauth, Nachod & Kuhne.
Lafrentz, F. W., comptroller American Surety Co.
Lamont, T. W., 2d vice-pres. Bankers Trust Co.
Latimer, G. B., sec. Irving Sav. Inst.
Laws, Wm. M., sec. Bowling Green Trust Co.
Lewis, G. E., cas. Gallatin Nat.
Lewis, Thomas J., cas. Consolidated Nat.
Lightipe, W. I., asst. cas. Hanover Nat.
Lisman, A. A., banker, 25 Broad St.
Loomis, A. G., vice-pres. Nat. City.
Loder, H. B., of H. W. Poor & Co., Bankers.
Lott, Jas. V., cas. Mercantile Nat.
Manson, H. T., asst. cas. Gallatin Nat.
Martin, P. W., mgr. Corn Exch. Bk., 28th St. Branch.
McCall, L. H., asst. cas. Citizens Central Nat.
McGlynn, F. P., asst. cas. Liberty Nat.
McGovern, Jas., James McGovern & Co.
McGrath, A. J., asst. cas. Nat. Shoe & Leather Bank.
McKeon, J. C., vice-pres. Nat. Park.
Mills, W. J. B., treas. Central R. B. & T. Co.
Moyer, W. L., pres. Nat. Shoe & Leather Bank.
Nelson, Stuart G., vice-pres. Seaboard Nat.
Norvale, A., pres. Municipal Bond Securities Co.
Oldring, H. J., pres. Corn Exch. Bank, Greenpoint Branch, Greenpoint.
Paine, Willis S., pres. Consolidated Nat. Bank.
Pasfield, Chas. J., asst. cas. Williamsburg Sav., Brooklyn.
Patterson, C. H., cas. Fourth Nat. Bk.
Peasler, E. H., pres. Fidelity Bank.
Pell, S. H. P., S. H. Pell & Co.
Pemberson, F. R., F. R. Pemberson & Co.
Perkins, John T., mgr. Commercial Exchange.
Phillips, Frederick, Lincoln Trust Co.
Phillips, Chas. F., Chas. F. Phillips & Co.
Pierson, D. H., cas. Bank of Manhattan Co.
Poor, R. W., pres. Garfield Nat.
Porter, W. H., pres. Chemical Nat.
Purdy, R. A., mgr. Mech. & Traders.
Purdy, W. E., Chase N. B., New York.
Rawlings, Henry E., third vice-pres. U. S. Guarantee Co.
Reynolds, Nelson A., asst. cas. Citizens Central Nat.
Riecks, C. W., cas. Liberty Nat.
Robin, Jos. G., pres. Bank of Discount.
Robinson, Chas. L., A. C. N. B. of Commerce.
Rogers, Jas. H., asst. cas. International Bank.
Sackett, Chas. A., vice-pres. Mutual Bank.
Sayford, P. M., cas. Gansevoort Bank.
Sayres, G. B., asst. cas. Nat. Shoe & Leather.
Schenck, F. B., pres. Mercantile Nat.
Schenck, Edwin S., pres. Citizens-Central Nat. Bank.
Schlesinger, L., pres. Mechanics & Traders.
Scudder, S. D., treas. North American Trust Co.
Shaw, Irving M., pres. Chelsea Exch. Bank.
Sherer, D. B., manager Corn Exchange Bank, Harlem Branch.
Smith, Henry King, dir.; 22 William Street.
Smith, W. W., pres. Bank for Savings.
Sniffen, Frank L., mgr. Manufacturers Branch Title Guarantee & Trust Co., Brooklyn, N. Y.
Snyder, A. C., dir. Flatbush Trust Co., Brooklyn.
Southard, G. H., pres. Franklin Trust Co., N. Y. city.
Sprague, Charles E., pres. Union Dime Savings Institution.
Sproull, J. T., pres. Coal & Iron Nat.
Stalker, E. J., cas. Chase Nat.
Stout, C. H., vice-pres. Liberty Nat. Bank.
Swartwout, R. H., of Courtlandt Babcock & Co.
Swazey, Herbert H., vice-pres. Guardian Trust Co.
Sweasy, J. Frederick, asst. cas. Nat. Bank of North America, New York City.
Tainter, Chas. N., pres. Riverside Bk., New York City.
Taylor, David, vice-pres. Coal and Iron Nat.
Thompson, C. C., cas. Seaboard Nat.
Thorne, Gilbert G., vice-pres. Nat. Park Bank.
Totten, W. H. B., pres. Irving Sav. Bk.
Townsend, E., pres. Importers & Traders Nat.
Trowbridge, Alvah, pres. Registration & Trust Co.
Twitchell, H. K., asst. cas. Chase Nat.
Underhill, D. O. A. C. Fourth Nat. Bk.
Van Cleaf, John C., vice-pres. Nat. Park Bank.
Vanderlip, F. A., vice-pres. Nat. City.
Van Kleeck, Chas. M., Real Estate Trust Co.
Walker, Alex., pres. Colonial Bank.
Warren, Chas. Elliott, cas. Lincoln Nat.
Whitson, G. S., vice-pres. Nat. City Bank.
Whittaker, E. E., cas. Hanover Nat.
Wicker, C. M., vice-pres. Washington Savings Bank.
Wiggin, A. H., vice-pres. Chase Nat.
Williams, Clark, vice-pres. United States Mortgage & Trust Co.
Wilsey, R. E., Rudolph Kleybolte & Co.
Wily, John F., The Fidelity Bk., New York City.
Wire, Edw. B., asst. cas. Nat. of North America.
Woods, Arthur K., sec. Van Norden Trust Co.
Woods, W. L., mgr. Corn Exchange Bk, Queens Co. Branch, Long Island City.
Woodhall, J. H., asst. mgr. Astoria Branch, Corn Exch. Bank.
Woolverton, S., pres. Gallatin Nat.
Young, G. W., pres. United States Mortgage & Trust Co.
Young, J. A., vice-pres. Windsor Trust Co.

NORTH CAROLINA.

Allen, W. E., sec. and treas. Greensboro Loan & Trust Co., Greensboro.
Byerly, Thos. J., cas. Bank of Davie, Mocksville.

Battle, Lee H., cas. City Nat. Greensboro.
Beall, J. H., cas. Bank of Lenoir, Lenoir.
Blair, Wm. A., vice-pres. People's Nat., Winston-Salem.
Borden, W. E., cas. Bank of Wayne, Goldsboro.
Braswell, J. C., pres. Planters' Bank, Rocky Mount.
Briggs, R. B., Branch Banking Co., Wilson.
Brown, Jos. G., pres. Citizens Nat. Raleigh.
Burkhead, R. L., cas. Nat. Bank of Lexington.
Copper, C. J., cas. Nat. Fayetteville.
Carr, L. A., vice-pres. First Nat., Durham.
Covington, L. S., vice-pres. Bank of Hamlet.
Cox, J. Elwood, pres. Commercial Nat., High Point.
Crowell, A. H., cas. Shuford Nat., Newton.
Evans, C. N., cas. Merch. & Farmers Nat. and also sec. N. C. Bankers' Association, Charlotte.
Fuller. F. L., vice-pres. Fidelity Bk., Durham.
Fries, F. H., pres. Wachovia Loan & Trust Co., Winston Salem.
Grigg, W. E., cas. Bank of Lincolnton.
Hagood, L. R., cas. Kings Mountain.
Howell. Geo. A., Southern States Tr. Co., Charlotte.
Jerman, B. S., cas. Commercial & Farmers, Raleigh.
Moss, Beverly G., pres. Sav. & Trust Co., Washington.
Old, Wm. T., cas. First Nat., Elizabeth City.
Parsons, W. L., cas. Bank of Peedee, Rockingham.
Ragsdale, J. O., cas. Bank of Madison, Madison.
Roberts, G. H., cas. Nat. Bank, Newbern.
Sanders, H. L., Commercial Nat., Charlotte.
Schaffner, W. F., mgr., Bd. Dep., Wachovia L. & T. Co., Winston-Salem.
Smith, J. C., vice-pres. Shuford Nat., Newton.
Smith, W. R., cas. Bank of Weldon, Weldon.
Stansel, J. P., asst. cas. Bank of Lumberton, Lumberton.
Twitty, W. H., cas. Charlotte Nat. Bk., Charlotte.
Vanstory, C. W., dir. Greensboro Nat., York.
Waltington, J. W., cas. Bank of Reidsville.
Watkins, Samuel, dir. Citizens Bank, Henderson.
Watson, Ivey, cas. Bank of Enfield.
Wily, John F., cas. Fidelity Bank, Durham.
Wood, Chas. H., asst. cas. Hertford Banking Co., Hertford.
Wood, Julian, pres. Bank of Edenton, Edenton.

NORTH DAKOTA.

Young, N. M., cas. Cass Co. Nat., Casselton.

OHIO.

Adams, A. E., pres. Dollar Sav. & Tr. Co., Youngstown.
Adams, Geo., pres. J. & G. Adams Bk., Millersburg.
Angle, S. L., cas. German Nat., Marietta.
Bachelder, D., pres. Citizens Nat., Galion.
Baker, M. Q., pres. Coshocton Nat.
Barnitz, W. O., vice-pres. Oglesby & Barnitz Co., Middletown.
Benner, Jos. S., treas. Central Savings Bank, Akron.
Blythe, H. H., cas. Citizens Nat., East Liverpool.
Bohrer, Geo. H., pres. German Nat., Cincinnati.
Booth, E. M., pres. Citizens Nat., Marietta.
Brenneman, S. M., prop. Orrville Savings, Orrville.
Brown, W. W., cas. Merchants Nat., Cincinnati.
Bushnell, F. M., cas. Richland Savings, Mansfield.
Cable, A., cas. Stillwater Valley, Covington.
Carr, S. D., pres. Nat. Bank of Commerce, Toledo.
Christy, Will, vice-pres. Central Savings, Akron.
Cole, B. R., cas. First Nat., Mingo Junction.
Close, G. W., cas. Berlin Heights Bk. Co.
Criley, John M., cas. Wayne Co. Nat., Wooster.
Crim, C. S., cas. First Nat. Galion.
Daoust, C. J., cas. Defiance City Bank.
Deshler, Jno. G., vice-pres. Deshler Nat., Columbus.
Delong, P. A., cas. New First Nat., Columbus.
Dickson, J. M., pres. Farmers & Citizens, Tiro.
Eoff, L. W., cas. American Nat., Findlay.
Evans, Wm. H., sec. and treas. Dime Savings Bank, Akron.
Evarts, Chas., 2d vice-pres. Ohio Mutual Savings & Loan Co., Cleveland.
Fancher, E. R., cas. Union Nat., Cleveland.
Fisher, T. H., asst. cas. First Nat., East Liverpool.
Fordyce, Belford, Northern Nat., Toledo.
Foster, Parks, pres. Lorain Co. Banking Co., Elyria.
Freer, Geo. R., asst. cas. Farmers, Ashland.
Garlick, H. M., pres. First Nat., Youngstown.
Guckenberger, Geo., pres. Atlas Nat., Cincinnati.
Hageman, A. V., sec.-treas. Lorain Savings & Banking Co.
Harover, F. M., pres. Bank of Manchester.
Harper, J. F., vice-pres. Union Nat., Cleveland.
Hayes, Harry E., W. J. Hayes & Sons, Cleveland.
Haynes, Wm. E., pres. Fremont Savings.
Hegeman, A. V., sec. and treas. Lorain Savings & Banking Co., Lorain.
Held, E. R., sec. and treas., Akron Trust Co.
Hendrickson, B., cas. Medina Co. Nat., Medina.
Henking, H. H., teller Ohio Val. Bank Co., Gallipolis, Ohio.
Henrich, Geo. A., Nat. Lafayette Bk., Cincinnati.
Herbert, Wm., pres. Nat. City, Niles.
Hill, J. S. M., Society for Savings, Cleveland.
Hillinger, L. H., cas. Bank of Toronto.
Hoffman, W. F., vice-pres. and cas. Commercial Nat., Columbus.

Hosler, W. F., cas. City Banking Co., Findlay.
Hosmer, E. H., asst. cas. Wick Nat., Youngstown.
Hower, M. Otis, vice-pres. Akron Tr. Co.
Jaster, J., treas. State Banking & Trust Co., Cleveland.
Jennings, J. J., cas. City Deposit, Columbus.
Job, E. J., cas. First National, Niles.
Jones, Geo. P., cas. First Nat., Findlay.
Johnson, Frank, vice-pres. Peoples' & Drovers', Washington, C. H.
Kaneen, E. F., cas. Citizens Savings Co., Lorain.
Kenny, J. H., pres. Canton Savings & Trust, Canton.
Kiesewetter, L. F., cas. Ohio Nat., Columbus.
Laughlin, Chas. F., asst.-treas. Guarantee Title & Trust Co., Cleveland.
Loomis, Jas. P., pres. Guardian Savings, Akron.
March, Geo., pres. Chagrin Falls Banking Co.
Marshall, A. B., vice-pres. First Nat., Cleveland.
McClinton, W. H., pres. Nat. Exch., Steubenville.
McIntosh, H. P., pres. Guardian Trust Co., Cleveland.
McKee, Caleb L., Columbus.
McKelvey, G. M., pres. Commercial Nat., Youngstown.
Metz, A. D., dir. Wooster Nat.
Miller, E. H., pres. Highland Co. Bk., Greenfield.
Moore, S., pres. Delaware Co. Nat., Delaware.
Nutt., J. R., sec. Citizens Sav. & Tr. Co., Cleveland.
Oller, C. J., cas. Commercial Bank & Savings Co., Findlay.
Patch, C. O., asst. sec. and treas. Cleveland Trust Co., Cleveland.
Perrin, W. N., sec. Reserve Trust Co., Cleveland.
Peters, H. B., vice-pres. Fairfield Co., Lancaster.
Plantz, G. W., cas. First City, Pomeroy.
Post, Chas. A., pres. Dime Savings Banking Co., Cleveland.
Rancamp, H., cas. Woodville Savings Bank Co.
Robertson, D. S., cas. First Nat., Geneva.
Robinson, B. W., vice-pres. Second Nat., Akron.
Saner, J. C., cas. Commercial Nat., Zanesville.
Schneider, P. L., cas. Bank of Commerce, Columbus.
Scott, John A., rep. Buckeye Nat., Findlay.
Searle, S. S., treas. Geneva Savings Bank Co.
Seiter, Edward, cas. Fifth Nat., Cincinnati, Lafayette.
Sharpe, H. A., cas. Old Citizens Nat., Zanesville.
Sheldon, Robert E., pres. Citizens Savings, Columbus.
Sherwin, John, vice-pres. Euclid Nat. Bank, Cleveland.
Sherman, John M., cas. First Nat., Fremont.
Shoemaker, J. V., cas. Holcomb Nat., Toledo.
Sinks, G. W., pres. Deshler Nat., Columbus.
Smith, W. F., first vice-pres. Dollar Savings Bank Co., Painesville.
Sneath, S. B., pres. Commercial Bank, Tiffin.
Starke, Edgar, trust officer, Union S. B. & T. Co., Cincinnati.
Stecher, Henry W., treas. Pearl St. Savings & Trust Co., Cleveland.
Stoddard, L. L., pres. Milan Banking Co.
Stover, W. C., pres. Nat. City Bank, Akron.
Stratton, A. S., cas. Exchange Bk. of Madison.
Sullivan, J. J., pres. Central Nat., Cleveland.
Troutman, Otto, cas. Farmers Bank, Shreve.
Vance, John L., Jr., sec.-treas. Ohio Trust Co., Columbus.
Walker, U. G., pres. South Cleveland Banking Co., Cleveland.
Whiley, F. C., cas. Farmers & Citizens, Lancaster.
White, M. M., pres. Fourth Nat., Cincinnati.
Wiebenson, E., treas. United Bank & Savings Co., Cleveland.
Wilson, A. J., pres. Wilson Bank, Utica.
Young, J. H., cas. Piqua Nat., Piqua.

OKLAHOMA TERRITORY.

Brooks, W. A., cas. Bank of Tonkaawa.
Cockrell, E. B., cas. First Nat., Hennessey.
Engle, Chas. L., cas. Citizens' Nat., El Reno.
Kee, O. B., pres. First Nat., Weatherford.
McPherson, A. L., pres. Bank of Beaver City.
Smith, P. W., pres. First National, Newkirk.
Stine, J. A., pres. First Nat., Alva.
Wilkins, J. L., cas. State Nat., Oklahoma City.

OREGON.

Gilkey, H. L., cas. First Nat. of Sou. Oregon, Grant's Pass.

PENNSYLVANIA.

Alricks, W. K., cas. Dauphin Dep., Harrisburg.
Aylesworth, C. B., treas. Oakland Sav. and Trust Co., Pittsburgh.
Ayres, J. D., asst. cash, Bank of Pittsburgh, N. A.
Bailey, E., pres. Harrisburg Nat.
Baker, Hartman, cas. Merchants Nat., Philadelphia.
Baldinger, E. R., sec. and treas. Dollar Sav. Fund and Tr. Co., Allegheny.
Ball, Harrison, pres. Union Nat., Mahanoy City.
Barclay, John, pres. Barclay Tr., Greensburg.
Baumgartner, J., mgr. Western Nat., Philadelphia.
Bausman, J. W. B., pres. Farmers Trust Co., Lancaster.
Becker, F. S., cas. Lebanon Nat.
Bennett, Geo. S., pres. Wyoming Nat., Wilkesbarre.
Beymer, A. S., cas. Keystone Bank, Pittsburg.
Bigler, W. D., pres. Clearfield Trust Co.
Black, J. Audley, cas. Fayette City Nat.
Bloom, Arthur H., treas. Luzerne Co. Trust Co., Wilkesbarre.
Book, Robert D., partner Robinson Bros., Pittsburg.

Brooks, J. S., cas. Marine Nat., Pittsburg.
Bryden, A. A., pres. Miners' Savings Bank, Pittston.
Budd, Thos. J., cas. Third Nat., Philadelphia.
Calwell, Chas. S., cas. Corn Exchange Nat. Bank, Philadelphia.
Camp, O. C., cas. Nat. of Tarentum.
Canan, M. H., director First National, Altoona.
Carpenter, E. F., cas. First National, Bloomsburg.
Carpenter, W. H., pres. Union Nat., Philadelphia.
Challenger, J. F., treas. Delaware Co. Trust Safe Dep. and Title Ins. Co., Chester.
Chandler, Percy M., member of firm Chandler Bros. & Co., Philadelphia.
Chaplin, J. C., vice-pres. Colonial Tr. Co., Pittsburg.
Christy, A. H., cas. County Savings Bank and Trust Co., Scranton.
Coffin, E. P., cas. First National Bank, Sewickley.
Corbett, D. L., vice-pres. Deposit Nat., Dubois.
Cotterrel, W. D., treas. Union Dep. and Trust Co., Waynesburg.
Craig, J. W., dir. Nat. of Chambersburg.
Cuming, J. K., pres. Tenth Nat., Philadelphia.
Darlington, A. J., cas. Charter Nat., Media.
Davis, E. W., director Wyoming Valley Trust Co., Wilkesbarre.
Davis, J. G., sec.-treas. Central Penn. Trust Co., Altoona.
Decker, V. A., cas. First National Bank, Hawley.
De Witt A. K., cas. First Nat. Bank, Plymouth.
Dickey, S. R., pres. National Bank of Oxford, Oxford.
Donnan, John W., pres. Citizens Nat., Washington.
Doty, Ezra C., cas. First. Nat., Mifflintown.
Duff, Edw. E., vice-pres. and treas. Safe Deposit & Trust Co., Pittsburg.
Durham, H. G., cas. Dime Dep. & Discount Bank, Scranton.
Emerick, E. C., treas. Susquehanna Trust and S. D. Co., Williamsport.
Emery, Wm., dir. West Branch Nat., Williamsport.
Ferguson, P. J., pres. First Nat., Shenandoah.
Flanagan, H. D., cas. First Nat., Nanticoke.
Fleisher, Penrose, mem. of firm H. T. Bachman & Co., Philadelphia.
Flick, Liddon, vice-pres. Wyoming Valley Tr. Co., Wilkesbarre.
Floto, E. R., cas. Citizens' Nat., Meyersdale.
Forrest, Robert L., Forrest & Co., Philadelphia.
Fox, John A., sec. and treas. Safe Dept. & Title Guaranty Co., Kittanning.
Frank, G. C., cas. Nat. of Ligonier.
Gallup, M. J., pres. Mount Jewett Bank.
Ganoe, Geo. W., cas. First National, Houtzdale.
Gardner, E. S., vice-pres. and cas. Ridge Ave. Bank, Philadelphia.
Glover, John H., dir. Frankford Real Est. Tr. and Safe Dep. Co., Philadelphia.
Godshall, W. H., cas. First Nat., Lansdale.
Gorgas, Wm. L., cas. Harrisburg Nat
Graham, H. S., partner Graham & Co., Philadelphia.
Graham, Jas. B., cas. Nat. Bank of Jersey Shore.
Griffin, F. A., vice-pres. Columbia Nat., Pittsburg.
Griggs, Thos. C., asst. cas. First Nat., Pittsburg.
Grove, Jas. W., pres. Monongahela Nat., Pittsburg.
Gunster, C. W., cas. Merchants' and Mechanics', Scranton.
Gwinner, John F., pres. First Nat., Easton.
Haas, H. J., teller Berwick Savings & Trust Co., Berwick.
Haines, J. E., asst. cas. Federal Nat., Pittsburg.
Haines, H. H., dir. First Nat., Clifton Heights.
Hanna, Chas. N., vice-pres. Iron City Trust Co., Pittsburg.
Harkness, A. S., cas. Quarryville Nat.
Haverly, O. L., cas. Farmers' Nat., Athens.
Hays, Chas. H., vice-pres.-treas. Pittsburg Trust Co.
Helfrick, A. C., cas. Belleville Nat.
Head, Jos. C., cas. First Nat., Latrobe.
Herron, Jos. A., partner Alexander & Co., Monongahela.
Higley, Chas. C., cas. Nat. Bank of Malvern.
Hoke, H. E., cas. First Nat., Hanover.
Hollenback, John, pres. People's, Wilkesbarre.
Hurst, N. F., cas. John Conway & Co., Rochester.
Heller, Theo. B., N. Y. rep. Chandler Bros. & Co., Philadelphia.
Husted, Wm. C., cas. First Nat., West Chester.
Hoke, H. E., cas. First Nat., Hanover.
Irwin, O. H., cas. First Nat., Huntingdon.
Jackson, A. A., 2d vice-pres. Girard Trust Co., Philadelphia.
James, Chas. H., asst. cas. First Nat., Philadelphia.
Keck, C. M. W., cas. Allentown Nat. Bank, Allentown.
Keyser, Romaine, cas. Nat. of Germantown, Philadelphia.
Kirch, Geo., Sec. and treas. South Side Trust Co., Pittsburg.
Kline, M. S., cas. Elk Co. Nat., Ridway.
Kling, W. F., 2d vice-pres. Commonwealth Title Ins. & Trust Co., Philadelphia.
Knauss, Wm. V., treas. E. P. Wilbur Trust Co., South Bethlehem.
Kunkel, C. A., cas. Mechanics' Bank, Harrisburg.
Kuntz, Jas., Jr., dir. Washington Trust Co., Washington.
Laird, Chas. H., Jr., treas. City Trust Safe Deposit and Surety Co., Philadelphia.
Lamb, J. H., asst. cas. Citizens' Nat., New Castle.
Lamberton, Chess., cas. Lamberton Nat., Franklin.
Law, Wm. A., asst. cas. Merchants' Nat., Philadelphia.
Laycock, C. W., cas. Anthracite Savings, Wilkesbarre.
Lennig, John B., pres. Frankford Real Estate Trust & Safe Deposit Co., Philadelphia.
Leslie, H. J., cas. Second Nat., Erie.
Limard, Geo. B., partner Graham & Co., Philadelphia.

Lippincott, Walter H., Brown & Co., Philadelphia.
Lloyd, T. B., cas. First Nat., Emporium.
Loomis, C. M., treas. Oil City Trust Co.
Lukenback, F. K., vice-pres. Blair Co. Nat., Tyrone.
Lynell, E. J., director Dime Deposit & Dis. Bank, Scranton.
Lyon, J. D., partner N. Holmes & Sons, Pittsburg.
Maltzberger, Jno. H., cas. Keystone Nat., Reading.
Marvin, W. A., pres. People's Nat., Tarentum.
Mattern, R. J., cas. Union Nat., Huntington.
McAllister, J. R., pres. Franklin Nat. Bank, Philadelphia.
McCarthy, H. D., cas. Tradesmen's Nat., Philadelphia.
McClure, W. L., cas. First Nat., Philadelphia.
McClure, W. L., cas. First Nat., Danville.
McCurdy, C. M., cas. First Nat., Bellefonte.
McDonald, Edw., pres. First Nat., McDonald.
McEldowney, H. C., pres. Union Trust Co., Pittsburg.
McEldowney, A. W., asst. cas. Mellon Nat., Pittsburg.
McLear, W. Z., asst. cas. Fourth Street, Nat., Philadelphia.
Medlar, Jas. A., treas. Schuylkill Trust Co., Pottsville.
Mellor, Edward, pres. Germantown Trust Co., Philadelphia.
Meshler, T. C., dir. Central Pa. Trust Co., Altoona.
Miller, D. B., pres. Lewisburg Nat.
Miller, M. W., asst. treas. Central Penn. Trust Co., Altoona.
Millett, Geo. Heuber, Farmers' & Mechanics', Philadelphia.
Morgan, Major R., cas. Foxburg Bank.
Moore, J. H., Darr, Luke & Moore, Pittsburg.
Morrow, John R., pres. Continental Trust Co., Pittsburg.
Murphy, M. J., cas. Keystone Nat., Scranton.
Myers, W. B., cas. First Nat., Bethlehem.
Nelson, S. M., treas. Apollo Trust Co., Apollo.
Nesbitt, Abram, pres. Second Nat. Bank, Wilkes Barre.
Niemeyer, A., pres. Savings Inst. City of Williamsport.
Nissley, J. J., pres. Hummelstown Nat. Bank.
North, Roscoe C., asst. cas. First Nat. Bank, Selin's Grove.
North, Wm. F., treas. Real Estate Trust Co., Philadelphia.
Page, R. F., cas. First Nat., Sayre.
Painter, C. A., director First Nat., Pittsburg.
Painter, J. M., cas. Merchants' Nat., Kittaning.
Palmer, A. G., director Nat. of Jersey Shore.
Parmlee, G. N., pres. Warren Nat.
Parsons, L. H., partner Graham & Co., Philadelphia.
Patterson, A. H., cas. Duquesne Nat., Pittsburg.
Paull, Jos. R., 1st vice-pres. Bank of Pittsburg, N. A.
Paull, J. R., pres. Homewood People's, Pittsburg.
Peck, Wm. H., cas. Third Nat. Bank, Scranton.
Perley, A. P., pres. West Branch Nat., Williamsport.
Phillips, F. L., vice-pres. Guarantee Title & Trust Co., Pittsburg.
Ployer, F. K., cas. Second Nat., Mechanicsburg.
Powell, G. K., pres. Luzerne Co. Trust Co., Wilkes Barre.
Powell, H. B., cas. County Nat., Clearfield.
Pownall, M. W., cas. Nat. of Coatesville.
Preston, Edw. H., pres. Manayunk Nat., Philadelphia.
Pyle, Milton C., vice-pres. and cas. Nat. of West Grove.
Ramsey, J. E., vice-pres. Nat. Bank of Oxford, Oxford.
Ramsey, W. W., cas. German Nat., Pittsburg.
Reinhold, Eli, S., cas. Union Nat. Bank, Mahanoy City.
Reiber, A. E., pres. Guaranty S. D. & Trust Co., Butler.
Reitze, Jr., Jno. H., cas. Merchants' Nat., Meadville.
Reninger, Edward H., treas. Lehigh Valley Trust and S. D. Co., Allentown.
Reymer, A. S., cas. Keystone Bank, Pittsburg.
Rhodes, D. H., cas. Nat. of McKeesport.
Richards, E. J., pres. Northampton Nat., Easton.
Riley, Edw. P., asst. cas. Citizens' Nat. Johnstown.
Ritts, J. V., vice-pres. Butler Co. Nat., Butler.
Robb, A. D., sec. Colonial Trust Co., Pittsburg.
Rue, L. L., vice-pres. Philadelphia Nat.
Rushton, R. H., pres. Fourth St. Nat., Philadelphia.
Russell, Ogden, cas. Third Nat., Pittsburgh.
Rutherford, Robert M., pres. Steelton Nat.
Schaeffer, Chas. P., cas. Union, Womelsdorf.
Schantz, Chas. O., cas. Merchants' Nat., Allentown.
Schoch, A. Z., pres. Bloomsburg Nat., Bloomsburg.
Schneider, Chas., sec. and treas. Allegheny Trust Co., Allegheny.
Schutte, F. H., treas. Erie Trust Co.
Scott, C. E., cas. Farmers' Nat. of Bucks Co., Bristol.
Seeds, S. H., cas. Chester Nat., Chester.
Sels, W. A., director Nat. of Jersey Shore.
Shafer, H. C., cas. Scranton Savings Bank.
Siegfried, H. G., cas. Easton Nat., Easton.
Simpson, B. L., cas. Windber Nat.
Sinn, Jos. A., 2d vice City Trust Safe Deposit & Surety Co., Philadelphia.
Sinnett, Wm. P., cas. Market Street Nat., Philadelphia.
Smith, F. B., vice-pres. and mgr. Miners' Nat., Blossburg.
Spang, Isaac Y., cas. Reading Nat.
Spiegel, Chas. A., treas. Savings Fund Soc. of Germantown, Philadelphia.
Spinks, David, dir. Dime Dep. & Discount Bank, Scranton.
Spencer, C. E., cas. Carbondale Miners' & Mechanics' Savings Bank, Carbondale.

Stauffer, W. F., cas. Scottdale Bank, Scottdale.
Steel, C. E., cas. Union Nat., Minersville.
Sterling, A. A., cas. People's Bank, Wilkesbarre.
Stoney, Jr., R. J., banker, Pittsburg.
Stotler, C. C., cas. Delmont Nat.
Stuart, W., sec. and treas. Farmers' Trust Co., Carlisle.
Supplee, Wm. W., vice-pres. Corn Exchange Nat., Philadelphia.
Swartz, M. T., cas. Nazareth Nat.
Tawney, Chas. A., cas. First Nat., McKeesport.
Thompson, J. N., treas. Wyoming Valley Trust Co., Wilkes Barre.
Titzell, Geo. G., asst. cas. Farmers' Nat., Kittaning.
Torgas, Wm. L., cas. Harrisburg Nat.
Torrey, E. F., cas. Honesdale Nat. Bank, Honesdale.
Trautwein, A. P., director Pioneer Dime Bank, Carbondale.
Van Horn, W. D., pres. First Nat., Wellsboro.
Vrooman, Wm. B., pres. American Trust Co., Philadelphia.
Winter, Emil, pres. Workingmen's Savings Bank and Trust Co., Allegheny.
Walter, John F., cas. Fidelity Dep. & Dis., Dunmore.
Warne, Kenton, cas. First Nat., Philadelphia.
Wardrop, Robt., pres. People's Nat. Bank, Pittsburg.
Waters, John H., pres. U. S. Nat., Johnstown.
Watkins, T. H., dir. Title Guaranty & Trust Co., Scranton.
Wayne, Jos., Jr., cas. Girard Nat., Philadelphia.
Weeks, S. A., asst. cas. Pattison Nat., Elkland.
Weiskkeimer, pres. Freeport Bank, Freeport.
Welsh, Thos. W. J., cas. Second Nat., Pittsburg.
White, Geo. Foster, pres. Lansdowne & Darby Savings Bank & Trust Co.
Wickersham, Samuel, pres. Nat. of Avondale.
Willock, C. E., treas. Fidelity Title & Trust Co., Pittsburg.
Willock, Jas. H., pres. Second Nat. Bank, Pittsburg.
Winters, R. S., treas. Real Estate Trust Co., Washington.
Wood, W. Clifford, asst. cas. Third Nat. Bank, Philadelphia.
Zandline, F. M., dir. Lack. Tr. Co. & South Side Bank, Scranton.
Zimmerman, H. S., asst. cas. Mellon Nat. Bank, Pittsburg.

RHODE ISLAND.

Brown, Edw. A., pres. Island Savings Bank, Newport.
Capron, Geo. H., asst. cas. Old Nat., Providence.
Davis, Abiel F., senior member Davis & Davis, Providence.
Hunt, Horatio A., cas. American Nat., Providence.
Proud, Geo., cas. Nat. Ex., Newport.
Studley, J. Edward, pres. Manufacturers' Trust Co., Providence.
Wells, Herbert J., pres. R. I. Hospital Trust Co., Providence.

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Brock, J. A., pres. Bank of Anderson.
Coleman, W., pres. First Nat., Whitmire.
Cross, W. H., cas. Farmers' & Merchants', Marion.
Davis, Jas. Q., cas. Winnsboro Bank, Winnsboro.
Ficken, John F., pres. South Carolina Loan & Trust Co., Charleston.
Law, J. A., pres. Central Nat., Spartansburg.
Matthews, J. P., sec. Palmetto Bank & Trust Co., Columbia.
Nicholson, Emslie, pres. Wm. A. Nicholson & Son, Union.
Robertson, Edwin W., pres. Nat. Loan & Exchange, Columbia.
Roddey, W. J., pres. Nat. Union, Rock Hill.
Self, James C., cas. Bank of Greenwood.
Smith, Aug. W., pres. Bank of Woodruff.
Stackhouse, T. B., cas. American Nat., Spartanburg.

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Dennis, H. R., pres. Sioux Falls Savings.
Danforth, F. C., pres. Citizens' Bank of Parker.
Ladd, W. E., Meade Co. Bank, Sturgis.
Loomis, A., pres. Merchants' Bank, Faulkton.
Meidell, H. J., cas. Beresford State.
Roberts, F. B., pres. First Nat., Milbank.
Thorson, Thos., pres. First Nat., Canton.

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Gaut, Jos. P., pres. Holston Nat., Knoxville.
Jones, H. E., pres. Dominion Nat., Bristol.
Karns, Charlton, cas. Knox Co. B. & Tr. Co., Knoxville.
Lindsey, E. A., pres. Merchants' Nat. Bank, Nashville.
Lyerly, Chas. A., pres. Chattanooga Nat., Chattanooga.
Martin, F. B., pres. Traders' Nat., Tullahoma.
McKnight, J. D., asst. cas. Exchange Bank, Trenton.
Nathan, James, cas. Manhattan Savings Bank & Trust Co., Memphis.
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Read, T., director Union & Planters, Memphis.
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Sadd, W. A., pres. Chattanooga Savings.
Schas, F., pres. Continental Savings Bank, Memphis.
Schulte, C. W., pres. First Nat., Memphis.
Smith, J. H., sec. and treas. People's Savings Bank & Trust Co., Memphis.
Walker, J. B., cas. First Nat., Centerville.
Warmath, W. W., Merchants' State, Humboldt.
Watts, F. O., pres. First Nat., Nashville.

TEXAS.

Blackford, G. L., pres. State Nat., Denison.
Brown, J. N., cas. Alamo Nat., San Antonio.
Burleson, James G., pres. First Nat., Lockhart.

Chamberlain, Edwin, 2d vice-pres. San Antonio Loan & Trust Co.
Davidson, W. S., pres. First Nat., Beaumont.
Downs, F. F., pres. First Nat., Temple.
Epstein, Geo. B., vice-pres. City Nat., San Antonio.
Head, W. P., asst. cas. Grayson Co. Nat., Sherman.
Heriff, Jr., Ferd., cas. San Antonio Nat.
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Lane, A. V., vice-pres. Nat. Exch., Dallas.
Mason, W. H., Western Bank & Trust Co., Dallas.
McCorkle, G. P., cas. First Nat, Center Point.
McCorkle, O. H., cas. Texarkana Nat.
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Riter, W. W., pres. Deseret Savings, Salt Lake City.
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Wilson, E. W., cas. Commercial Nat., Salt Lake City.

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Baldwin, Southern rep. Coml. & Farmers' Nat., Richmond.
Barksdale, C. C., asst. cas. First Nat., South Boston.
Branch, John Kerr, Thos. Branch & Co., Richmond.
Branch, John P., pres. Merchants' Nat., Richmond.
Blanks, W. D., cas. Planters' Bank, Clarksville.
Dodson, R. A., sec. and treas. Atlantic Trust & Dep. Co., Norfolk.
Dougherty, W. B., cas. People's Bank, Berkley.
Easley, Henry, pres. Planters' & Merchants', South Boston.
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Goodwin, T. W., cas. and treas. Century Banking & Safe Deposit Co., Roanoke.
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Harman, Frank P., vice-pres. First Nat., Roanoke.
Holland, C. L., prop. Johnston & Co., Danville.
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Keesee, Geo. H., asst. cas. Merchants' Nat., Richmond.
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Williams, C. N., Jr., asst. cas. Greensville Bank, Emporia.
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F. P. McGlynn, asst. cas. Liberty Nat. Bank.
Miss Phillips, Lincoln Trust Co.
R. L. Lively, 817 Temple Court.
O. H. Petters, 817 Temple Court.
E. E. Cautharne, 817 Temple Court.
John D. Carr, asst. cas. Market and Fulton Nat.
Geo. W. Engelhardt, "Bankers' Magazine."
E. H. Youngman, "Bankers' Magazine."
W. M. Rosendale, discount clerk Market and Fulton Nat.
Lee Gazley, Redmond & Co.
Geo. S. Dougherty, rep. Pinkerton Nat. Detective Agency.
D. Armstrong, Jr., asst. sec. Nat. Surety Co.
D. G. Evans, rep. Evening Post.
James G. Campbell, Farson, Leach & Co.
A. H. Auge, The Financier.
Mrs. Willard P. Schenck, Long Island L. & Tr. Co.
J. H. von Glahn, Jr., Broadway Branch Corn Exch.
Samuel L. Robinson, American Banker.
Thomas H. Hunt, Jr., Nat. Park Bank.
John A. Hiltner, vice-pres. Nat. Shoe & Leather Bank.
Gilbert B. Sayers, Nat. Shoe & Leather Bank.
W. Howard Hooke, Financial Age.
Francis M. Leake, treas. Union Dime Savings Bank.
Mrs. H. Chapin, Jr., Nat. of North America.
Miss Edwards, Nat. of North America.
Mrs. E. B. Wise, Nat. of North America.
Mrs. D. A. Blish, Importers' & Traders' Nat. Bank.
Mrs. John C. McKeon.
Mrs. C. H. Patterson.
Anthony Stumpf, editor "American Banker."
Chas. D. Steurer, "American Banker."
Waldeman Wurts, "Evening Mail."
J. H. Davie, asst. cas. Seaboard Nat. Bank.
Mrs. John Gerken.
Albert Bunn, "Banking Law Journal."
Edgar Ridgely, National Bank Examiner.
Mrs. E. B. Sweezy.
Gilbert B. Sayers, Nat. Shoe & Leather Bank.
Mrs. D. O. Underhill.
Wm. N. Jarnagin, Nat. City Bank.
Harry V. D. Joline, Chemical Nat. Bank.
S. A. Walsh, Corn Exchange Bank.
Faris R. Russell, Nat. Bank of Commerce.
Alfred M. Barrett, Nat. Bank of Commerce.
Wm. H. Ketchum,, Corn Exch. Bank.
Fred H. Cunningham, Nat. City Bank.
J. G. Schuetzel, Chemical Nat. Bank.
S. Ludlow, Jr., Fourth Nat. Bank.
H. H. Applegate, Hanover Nat. Bank.
Julian E. Gittings, Hanover Nat. Bank.
Richard P. Fisher, Fourth Nat. Bank.
Mrs. Jas. M. Donald.
Mrs. J. H. Woodhall.
Mrs. W. E. Purdy, Chase Nat. Bank.
Wm. C. Gerrish, Fifth Ave. Bank.
Alfred F. White, "Banking Law Journal."
Mrs. Benthold.
A. H. Axeltine, Commercial and Financial Chronicle.
Wm. J. Boies, banking editor New York Evening Post.
Mrs. Walter B. Manny.
James Haig, Nineteenth Ward Bank.
Mrs. John T. Sproull, Coal & Iron Nat.
Mrs. H. J. Oldring.
C. H. Senauer, "American Banker."
C. C. Hay, rep. "American Banker."
John Lincoln Blauss, "American Banker."
E. W. Kimmerton, New York News Bureau.
Mrs. Willis S. Paine.
Mrs. F. T. Martin.
J. H. Morrison, Alex. Wilson, rep. of Commercial and Financial Chronicle.
Mrs. Stephen Griswold, Brooklyn.
B. Kavanagh, Nat. Bank Examiner.
Mrs. Edwin S. Schenck.
Mrs. W. O. Jones.
Mrs. Edward Johnson.
Miss Florence E. Johnson.
Theo. Ryerson, Herring-Hall-Marvin Safe Co.

NORTH CAROLINA.

Mrs. J. O. Ragsdale, Madison.
W. F. Shaffner, mgr. Bond Dept. of Wachovia L. & Tr. Co., Winston-Salem.
Mrs. C. N. Evans, Charlotte.
Miss Josephine L. Brown, Raleigh.
Miss Annie B. Duncan, Raleigh.
Mrs. W. E. Allen, Greensboro.
Mrs. L. R. Hagood, Kings Mountain.
Mrs. Jerman, Raleigh.
Mrs. Frederick Hoar, Bank of Lumberton, Lumberton.

OHIO.

Mrs. L. W. Eoff, Findlay.
Mrs. Peters, Lancaster.
Mrs. G. Guckenberger, Cincinnati.
Mrs. P. L. Schneider, Columbus.
Mr. S. A. Weller, Zanesville.
Mrs. A. B. Marshall, Cleveland.
Mrs. E. R. Held, Akron.
Mrs. J. J. Jennings, Columbus.
Mrs. Bushnell, Mansfield.
Mrs. Fancher, Cleveland.
Mrs. J. C. Sauer, Zanesville.
Mrs. E. C. Ehren, Norwalk.
Mrs. G. W. Plantz, Pomeroy.
Mrs. McKelvey, Youngstown.
Mrs. Hageman, Lorain.
Mrs. McIntosh, Cleveland.
Mrs. A. S. Stratton, Madison.
Mrs. L. B. Stoddard, Milan.
John Wageman, State Banking & Trust Co., Cleveland.
Mrs. G. M. McKelvey, Youngstown.
Mrs. H. M. Garlick, Youngstown.
Murray, Hoffman, Columbia.
Mrs. C. J. Daoust, Defiance.
Mrs. U. G. Walker, Cleveland.

OKLAHOMA TERRITORY.

Major Wellborn, Beaver City.

OREGON.

Mrs. H. L. Gilkey, Grants Pass.

PENNSYLVANIA.

W. Z. McLear, Fourth St. Nat. Bank, Philadelphia.
W. M. Tier, Market St. Nat. Bank, Shamokin.
E. B. Tustin, First Nat. Bank, Bloomsburg.
Mrs. J. Baumgartner, Philadelphia.
D. E. J. Edwards, Philadelphia Press, Philadelphia.
Mrs. Edw. H. Remington, Miss Evelyn Remington and Miss Estelle Remington, Allentown.
P. J. Ferguson, First Nat., Shenandoah.
S. McKnight, Allegheny Trust Co.
R. Z. Pyle, Nat. Bank of West Grove.
Chas. E. A. Spiegel, Philadelphia.
Mrs. E. R. Baldinger, Allegheny.
Mrs. C. B. Aylesworth, Pittsburg.
Mrs. E. R. Baldinger, Allegheny.
Mr. S. A. Kendall, Meyersdale.
Mr. Liddon Flick, Wilkesbarre.
Mr. and Mrs. S. F. Hauck, Mechanicsburg.
Mrs. Jas. A. Medlar, Pottsville.
Mrs. S. R. Dickey, Oxford.
Mrs. J. E. Ramsey, Oxford.
Mrs. C. M. W. Keck, Allentown.
Mrs. R. J. Mattern, Huntington.
Mrs. Thomas W. Welsh, Jr., Pittsburg.
Mr. W. Evon Bonnhorst, Pittsburg.
Mrs. J. J. Missley, Hummelstown.
Mrs. O. L. Haverly, Athens.
Mrs. M. J. Gallup, Mount Jewett.
Mr. S. Weiss, Selins Grove.
Mrs. C. E. Spencer, Carbondale.
Miss Isabelle McMullen, Carbondale.
Mrs. W. L. McClure, Danville.
Mr. Paul M. Hurst, Rochester.
Mrs. W. D. Van Horn, Wellsboro.
Mrs. Eli S. Reinhold, Mahanoy City.
Mrs. J. K. Cumings, Philadelphia.
Mr. J. H. Brosius, Avondale.
Mrs. J. F. Challenger, Chester.
Mr. J. H. Lamb, New Castle.
Mrs. O. C. Camp, Tarentum.
Mr. Samuel Wigfall, Bloomsburg.
Mrs. Ebery, Williamsport.
Mrs. John H. Reitze, Meadville.
H. H. Shoms, Reading.
Mrs. S. H. Seeds, Chester.
Mrs. R. J. Stoney, Pittsburg.

RHODE ISLAND.

Mrs. Abiel A. Davis, Providence.
Samuel R. Dorrance, R. I. Hospital Trust Co., Providence.

SOUTH CAROLINA.

Mrs. J. R. Matthews, Columbia.
Mrs. Emslie Nicholson and children, Union.
Mrs. Jno. A. Law and sister, Spartansburg.
S. H. McGhee, First Nat., Greenwood.

SOUTH DAKOTA.

Mrs. H. R. Dennis, Sioux Falls.
Mrs. Thorson, Canton.

TENNESSEE.

Mrs. W. A. Sadd, Chattanooga.
Miss D. A. Smith, Memphis.
Mrs. J. B. Walker, Centerville.
Mrs. E. A. Lindsey, Merchants' Nat. Bank, Nashville.
Mrs. F. G. Fite, Nashville.
Mrs. F .O. Watts, Nashville.

TEXAS.

Mrs. McCarkle, Center Point.
Mrs. A. V. Lane and daughter, Dallas.
Mrs. A. Lane, Mrs. Alvin H. Lane, Miss Alice Lane, Miss Marion Lane, Dallas.
Mrs. Tenison and Miss L. Tenison, Dallas.
Mrs. F. F. Downs and daughter, Temple.
Mrs. S. Hutchings, Galveston.

UTAH.

Mrs. H. M. Walker, Salt Lake City.
Mrs. W. W. Riter, Salt Lake City.
H. Dunwoody, Salt Lake.
George Romney, Deseret Nat., Salt Lake.

VERMONT.

F. W. Elliott, Burlington Trust Co.
E. S. Lynn, Howard Nat., Burlington.
C. N. Hanna, Iron City Nat., Pittsburg.

VIRGINIA.

Mrs. Col. C. C. Vaughan, Jr., Franklin.
Mrs. W. D. Blanks, Clarksville.
Mrs. J. Sands, Richmond.
Mrs. Hardy, Norfolk.
Mrs. W. W. Moss, Norfolk.
Mrs. Goodwin, Roanoke.
R. W. Lawson, dir. Bank of South Boston.
Mrs. Williams, Emporia.
S. W. Travers, City Bank, Richmond.
H. W. Hall, dir. Merchants' & Farmers', Emporia.
Jos. Stebbins, pres. Bank of South Boston.
Mrs. T. W. Goodwin, Roanoke.

Mrs. C. C. Vaughan, Jr., Franklin.
Mrs. J. B. Fishburne, Roanoke.
Mrs. J. T. Griffith, Portsmouth.

WASHINGTON.

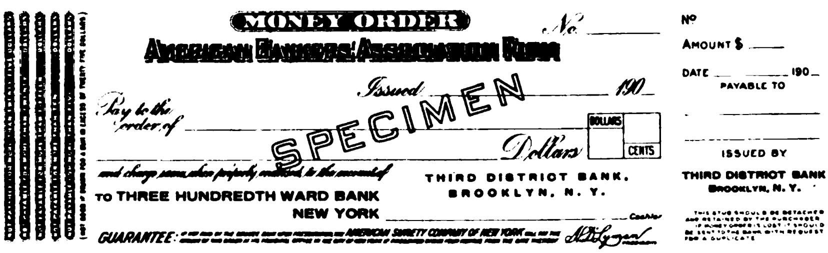
Arthur J. Shorrock, Seattle.
Mrs. W. E. Bliven and daughter, Tacoma.
Mrs. D. C. Millett and son, Chehalis.
Mrs. Burke, Bellingham.
Mrs. R. B. Sells, Tekoa.
Mrs. A. H. Soelberg, Seattle.
J. W. Maxwell, Nat. Bank Exchange, Seattle.
Mrs. J. B. Treat, Monroe.
Mrs. W. R. Stockbridge, Everett.
Mrs. Backers, Seattle.

WEST VIRGINIA.

Mrs. J. S. Vandervoort, Weston.
Mrs. Edward Nelly, Parkersburg.
Mrs. Edwin Mann, Bluefield.
Chas. Copito, Kanawha Nat. Bank, Charleston.

WISCONSIN.

Mrs. Strohmeyer, Milwaukee.
Mrs. Geo. D. Bartlett, Stanley.
Mrs. G. W. Fratt, Racine.
Mrs. J. W. Lombard and daughter, Milwaukee.
Mrs. Warren J. Davis and daughters, Marinette.
Mrs. J. B. Treat, Monroe.
Mrs. M. G. Flieth, Wausau.
Mrs. Geo. Zillman, Thorp.
Mrs. Harry J. Brown, Marinette.
Mrs. C. R. Carpenter, Racine.
Mrs. A. J. Frank, Waukesha.
Miss F. G. Bigelow, Milwaukee.
Miss Elizabeth Bigelow, Milwaukee.
Mrs. J. W. P. Lombard, Milwaukee.
Mrs. Kasten, Milwaukee.


MONEY ORDER
American Bankers' Association Form
No.
Issued 190
Pay to the order of
Dollars | DOLLARS | CENTS
and charge same when properly endorsed to the account of
TO THREE HUNDREDTH WARD BANK
NEW YORK
THIRD DISTRICT BANK.
BROOKLYN, N. Y.
Cashier
GUARANTEE:
SPECIMEN
No
AMOUNT $
DATE 190
PAYABLE TO
ISSUED BY
THIRD DISTRICT BANK
BROOKLYN, N. Y.

SAMPLE MONEY ORDER.—AMERICAN BANKERS' ASSOCIATION FORM.

THE CAUSES OF DEFALCATIONS.—The causes of defalcations by clerks and other employees in places where embezzlement is possible are discussed by presidents of surety companies in the "Insurance Press," and the large experience of such officers with all kinds of employees entitles their opinions to high consideration, for they are based on statistics.

It is noteworthy, that in New York, Boston and Cleveland, where these officers do not name speculation in stocks and in cotton and grain as the most influential cause of the moral downfall of clerks, they give to it the second place. In New York, however, a cause which is put as one of the most serious is not mentioned by the surety companies of the other cities. It is betting on horses races. A quarter of the defalcations in New York which come under the observation of the president of the American Surety Company of this city are said by him to be "traceable to betting on horse racing." An officer of a fidelity company of Boston reports that there "horse racing does not cut any great figure." He names extravagant expenditures as the main cause, and to speculation he gives the second place. A peculiarly Boston cause, as named by him, is "expensive hobbies."

In all the cities intemperance is described as a prolific cause of defalcations, as it is also of business failures. But the largest and widest range of mischief, as the manager of a Cleveland surety company finds, is done by: "1. New York Stock Exchange; 2. Chicago Board of Trade; 3. New Orleans Cotton Market."

These officers agree that not more than a tenth of the defaulters deliberately set out to defraud their employers; but getting into a tight corner because of their gambling, they start by "borrowing" the money; that is, they appropriate it with the intention of returning it.

The evils caused by the prevalence of the betting mania have induced certain large companies to forbid betting on horse races by their employees in a circular to which we have before referred.—*N. Y. Sun.*

KNICKERBOCKER TRUST COMPANY, NEW YORK CITY.

[Copyright 1904 by Moses King.]

New York Stock Exchange, Showing Wall Street and Trinity Church.

BANKING IN THE LEADING CITIES.

PITTSBURG.

PITTSBURG TRUST COMPANY.

This company occupies the entire first floor of the Vandergrift Building, 323 Fourth Avenue, Pittsburg, Pa., and its quarters both in point of location and equipment are admirably adapted to the large and growing business of the institution.

The Pittsburg Trust Company was chartered March 10, 1893, its charter being perpetual. The original capital was $600,000. J. J. Vandergrift was the first President and C. B. McVay, Vice-President and Treasurer.

The company was prosperous from the beginning, and the first dividend was paid February 1, 1895—1½ per cent.—leaving undivided profits of over $50,000.

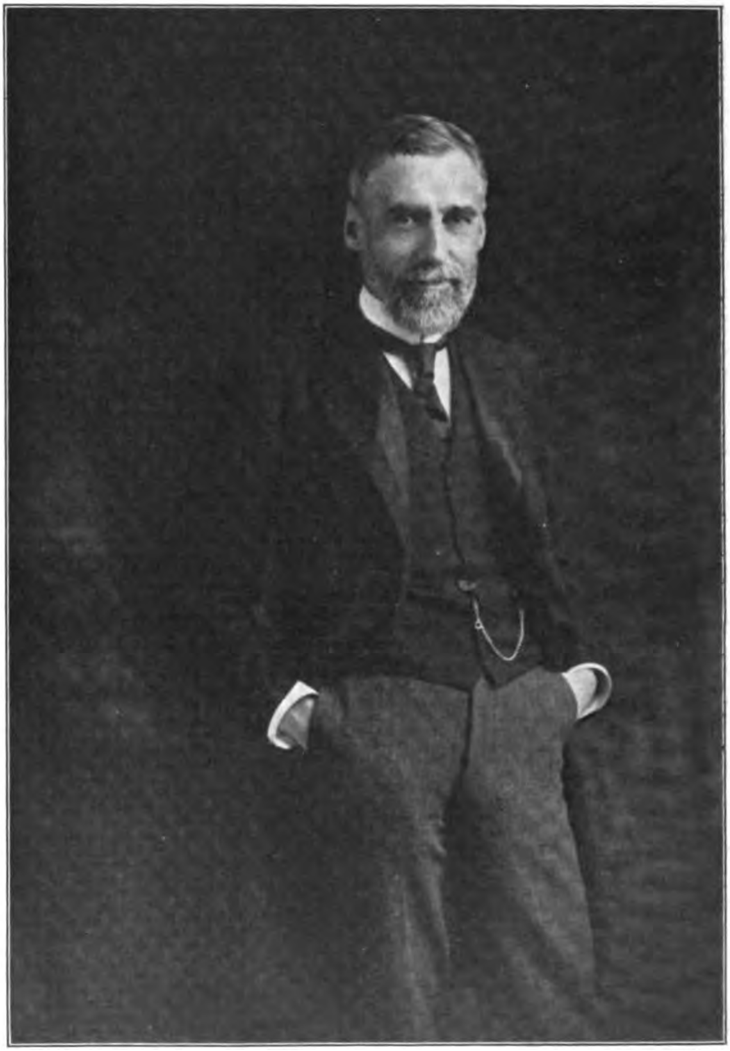
In 1896 Captain Vandergrift asked to be relieved of his responsibility as an officer of the company, and his resignation was followed by the election of C. B. McVay, President, and Chas. H. Hays, Secretary and Treasurer.

Prosperity continued, and dividends at the rate of six per cent. per annum were paid until February 1, 1900, when they were put on an eight per cent. basis. On January 1, 1899, the Savings Department was added, and a year later this department was given separate quarters across the hall from the main banking-room.

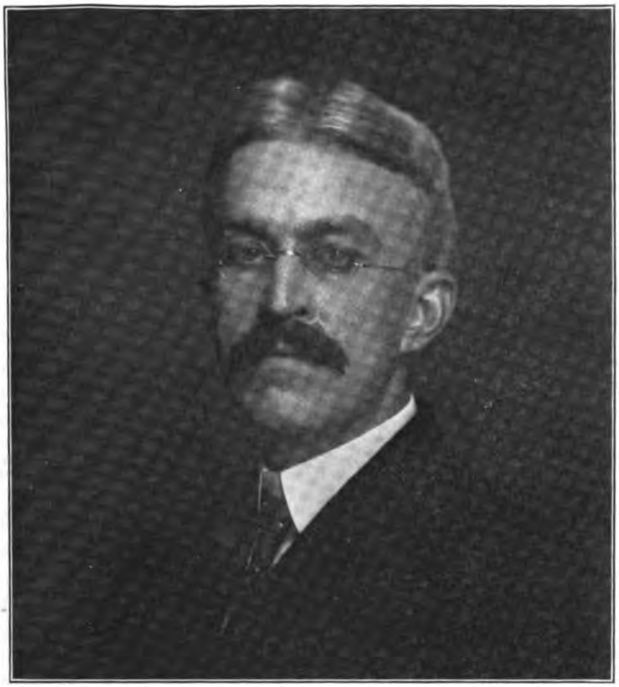
In October, 1900, the capital was increased from $600,000 to $1,000,000, the 4,000 shares being sold at 250 (par 100), thus adding $600,000 to the surplus fund. By the sale of this stock new interests were brought into the company and the deposits and earnings increased rapidly.

During the year 1901 the bank paid dividends of 18½ per cent. on the new capital of $1,000,000.

The business of the company continued



JAMES I. BUCHANAN, *President Pittsburg Trust Company.*



CHARLES H. HAYS, *Vice-President and Treasurer Pittsburg Trust Co.*

to expand wonderfully and it became necessary for the institution to have a larger capital. Accordingly, the capital was increased from $1,000,000 to $2,000,000 by the issue of 10,000 shares of stock at $400 per share—par value $100. This made a capital of $2,000,000, with surplus $2,000,000 and undivided profits $2,000,000, and enabled the company to handle business of any magnitude.

The prosperity of the company has been uninterrupted. Since February 1, 1902, it has been paying dividends of five per cent. quarterly—or twenty per cent. per annum, with one extra dividend of five per cent.

The company has a well-deserved reputation for dignity and conservatism. It is not run for any particular "interest," but stands upon an independent footing, having close business relations with a number of the large banks of the city and with numerous manufacturing and commercial enterprises.

The last published statement shows deposits of over $10,000,000, of which about $3,500,000 are savings deposits.

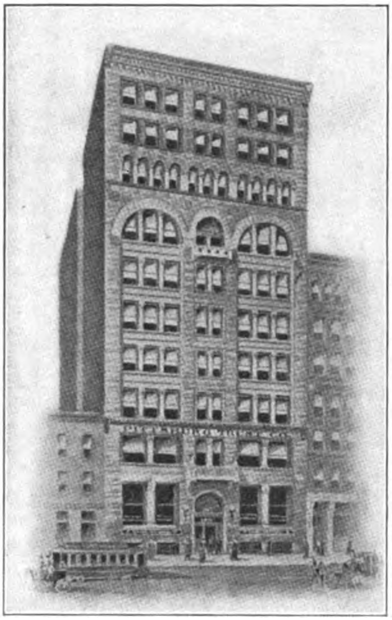
The Pittsburg Trust Company is one of the most advanced in the savings business, having secured many new depositors by its safe and simple system of banking by mail. This method of securing and caring for the savings of the people from all over the country has been very successfully carried on by this company. Its method is simplicity itself: the prospective depositor merely sends his first deposit by registered letter, express or postal order, or by check on his local bank; on receipt of this deposit the pass-book is made out, with credit entered, and sent to the depositor, together with a card for his signature. This opens the account, and future deposits or withdrawals may likewise be made through the agency of "Uncle Sam."

A new and very attractive feature of this company's business is the coupon certificate of deposit, an ideal form of

bank deposit investment, especially for any one residing outside of the State of Pennsylvania, as it embodies almost all of the advantages of safety and convenience of a Government coupon bond, a mortgage, and a bank account.

It pays four per cent. interest, or almost twice the net returns of a Government bond.

Being secured by the company's capital, surplus and profits of $6,000,000, it



PITTSBURG TRUST COMPANY'S BUILDING.

is safer than a mortgage and does not require such attention in the matter of insurance, bookkeeping, collection of interest and payment of taxes.

Being transferable by endorsement and delivery and payable by mail, or through the Pittsburg Clearing-House, it is almostas convenient as the ordinary bank check.

The coupon certificate of deposit is the ordinary certificate of deposit with the additional advantages of having the interest evidenced by coupons similar to those of a bond, and of being issued for a term of three years, with the privilege of obtaining payment of same at any interest period on sixty days' notice.

Coupon certificates of deposit are issued in denominations of $100, $500 and $1,000; bear four per cent. interest from date of issue; interest is payable April 1st and October 1st; interest is collected by cutting off the coupons and sending them through the mail or depositing them in any bank; principal and interest are both payable through the Pittsburg Clearing-House; may be made payable to any person or to "bearer;" in the latter case the name of the depositor does not appear on the certificate nor upon our books, thus insuring absolute privacy; may be used for collateral for loans of face amount; have a great advantage in that the funds of a deceased non resident certificate-holder may be obtained upon presentation of the certificate properly endorsed, without requiring letters of administration to be issued in Allegheny County, Pa.

The company has recently added a Bond Department, under the management of Mr. Olaf Ussing, connected formerly with Messrs. Farson, Leach & Co., of New York city.

The new Manganese Steel Safe Deposit Vault lately installed by the company, with the adjacent appointment, affords its customers a convenient place for keeping and examining bonds and other valuable papers. The company has, since 1895, been the duly-appointed Transfer Agent of the City of Pittsburg and the County of Allegheny.

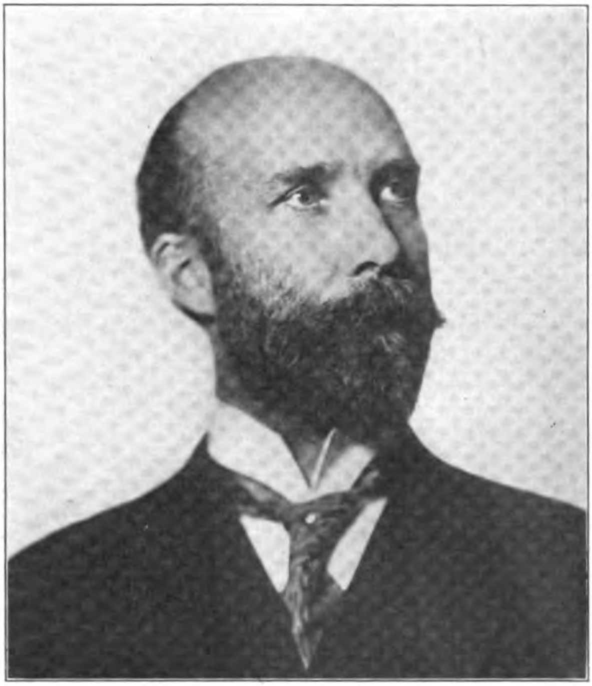
On the retirement of Mr. McVay from active business in the beginning of the present year, Mr. Buchanan was made President and Mr. Hays Vice-President and Treasurer.

The management of the company now consists of the following:

Officers.—J. I. Buchanan, President; Charles H. Hays, Vice-President and Treasurer; B. H. Smyers, Secretary; D. Gregg McKee, Assistant Treasurer; Olaf Ussing, Manager Bond Department.

Directors.—J. I. Buchanan, President Pittsburg Trust Co.; G. M. Laughlin, Jones & Laughlin Steel Co.; Henry

Buhl, Jr., Boggs & Buhl, Dry Goods Co.; W. P. Snyder, iron and steel; S. H. Vandergrift, capitalist; J. C. Reilly, President City Insurance Co.; B. F. Jones, Jr., Jones & Laughlin Steel Co.; Willis L. King, Jones & Laughlin Steel Co.; C. B. McVay, retired; Charles H. Hays, Vice-President and Treasurer Pittsburg Trust Co.



ROBERT C. HALL.

ROBERT C. HALL.

Robert C. Hall is a successful stock broker and promoter of business enterprises, and one of the largest individual real estate dealers and owners in Pittsburgh. He was born in Cleveland, O., September 3, 1865, and comes on both sides from old Revolutionary New England stock.

In his early youth he moved to Titusville, Pa., where he graduated from the high school in 1882. For a number of years he was in the mercantile business with his father and for ten years he was in the right-of-way department of the Standard Oil Co.

Mr. Hall went to Pittsburgh about five years ago, firmly convinced of the wonderful future of that city and he proved his faith in it by largely investing in real estate on Herron Hill, where he has since built a large number of houses. He is to day one of the largest individual holders of down-town Fourth Avenue frontage. About four years ago he became a member of the Pittsburgh Stock Exchange and early won a commanding position.

With Mr. F. T. F. Lovejoy, he is owner of the Bellefield Dwellings, just completed, in Center Avenue, one of the finest apartment buildings in the country. About a year ago he bought 365 acres of the old Ross estate, on the Allegheny River, just above Aspinwall. He is largely interested in the Tonopah, Nevada, gold mining camp, and was instrumental in interesting a number of

Carnegie steel officials in that property. Mr. Hall formed the syndicate which secured control of the Pittsburgh and Allegheny Telephone Co. last year, and a great deal of his time is now being devoted toward the development of this property. During the last city councils Mr. Hall was at the head of a syndicate applying for traction and electric light franchise in the city of Pittsburgh. Although they failed to get recognition, the effort will be made again. Mr. Hall was active in the establishment of the Home Trust Co., now a prosperous institution.

He is interested in and is a patron of art, music and literature, and is a lover of fine horses. About six years ago he married a daughter of Capt J. M. Clapp, of Washington, D. C., one of the oldest and most successful of Pennsylvania oil operators.

BALTIMORE, MD.

FIRST NATIONAL BANK.

This bank is what its name implies—the oldest National bank in Baltimore, having been chartered in 1863 and now operating on the second extension of its charter. The bank has been serviceable to the business interests of Baltimore and has been profitable to its shareholders, having paid dividends since its organization amounting to $4,064,100.

In July, 1900, the First National Bank absorbed the business of the Equitable National, and in December, 1903, the Manufacturers' National was also absorbed.

The business of the First National Bank has steadily grown to its present large proportions, and has more than trebled in the past five years. On June 30 last the statement to the Comptroller of the Currency showed: Capital stock, $1,000,000; surplus, $350,000; undivided profits, $50,000; deposits, $6,043,187. The balance-sheet of the bank showed total resources $8,102,174.

Although the First National Bank lost its building in the great Baltimore fire, it will soon be better housed than ever before, plans being now out for a new building, which will be more extensive than the old one. The new structure will front on two streets. It will be one story high and one block long, with one entrance on South street and another on Holliday street.

The directory of the First National Bank is composed of men who are representative of Baltimore's business interests—men who are well and favorably known. Following is a complete list of the board, showing the business affiliations of each member: George A. Blake, builder; Wm. A. Dickey, President Ashland Manufacturing Company; Jas. H. Eckels, President Commercial National Bank, Chicago, Ill.; J. D. Ferguson, President; Jos. R. Foard, President Jos. R. Foard Company; Solomon Frank, capitalist; Jos. Friedenwald, President Crown Cork and Seal Company; Theodore Hooper, of Wm. E. Hooper & Sons, Cotton Duck Manufacturers; John W. Hall, capitalist; John Hubner, real estate; Natl. W. James, of N. W. James & Co., lumber; Alex. T. Leftwich, of Ricards, Leftwich & Co., wholesale tobacco; Louis Muller, Louis Muller & Co., wholesale grain; A. H. S. Post, Third Vice-President Mercantile Trust and Deposit Company; Blanchard Randall, of Gill & Fisher, Grain Exporters; Wm. C. Rouse, of Rouse, Hempstone & Co., wholesale notions; Hugh Sisson, of Hugh Sisson & Son, marble; James A. Smyser, Variety Iron Works; Charles R Spence, Second Vice-President Mercantile Trust and Deposit Company; Robt. M. Sutton, of Robt. M. Sutton & Co., wholesale dry goods; James T. Woodward, President Hanover National Bank, New York.

The officers of the bank are: President, J. D. Ferguson; Vice-President,

H. B WILCOX, ***Cashier First National Bank, Baltimore, Md.***

Theodore Hooper; Cashier, H. B. Wilcox; Assistant Cashier, Wm. S. Hammond. Much of the success of the bank can be traced to the activity and ability of its Cashier, Mr. H. B. Wilcox, a portrait of whom we present herewith. He began his banking career in September, 1881, as a runner in this bank.

ALBANY, N. Y.

A MODEL BANKING INSTITUTION.

This designation may be fitly applied to the National Commercial Bank, of Albany, N. Y., which has just completed

ROBERT C. PRUYN,
President National Commercial Bank.

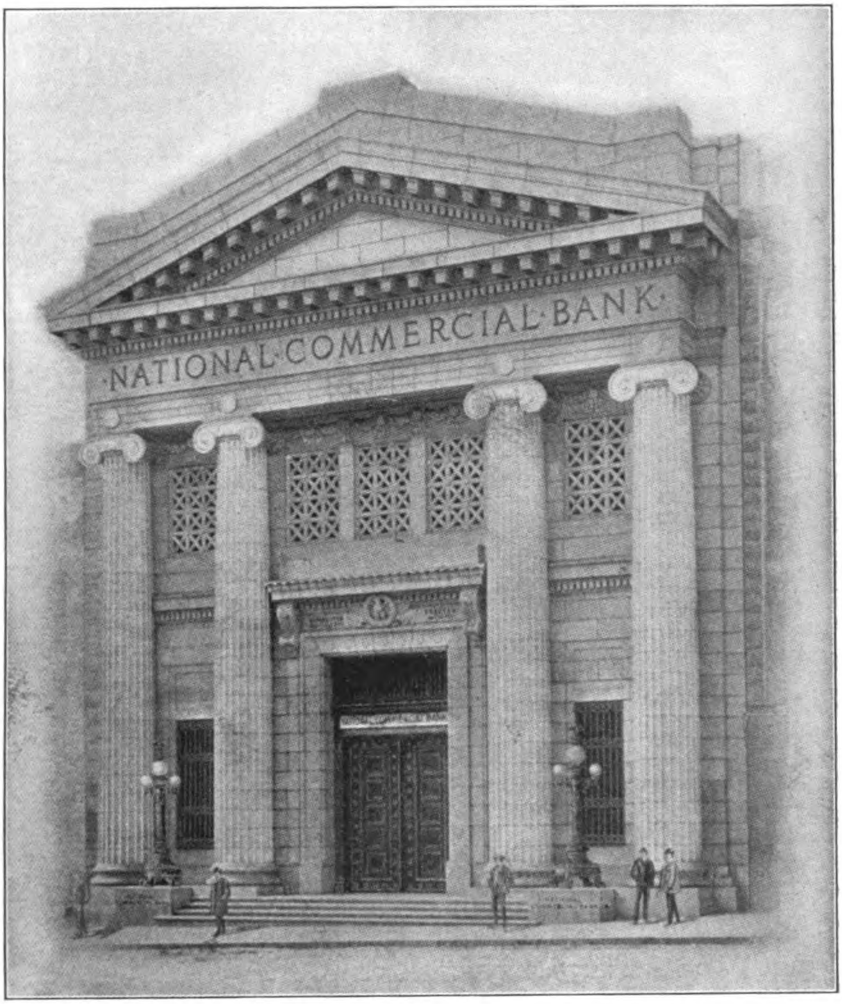
and now occupies its new building, illustrations of which are shown herewith. These views give a good idea of the general exterior and interior of this handsome structure—better, in fact, than can be supplied by description. It is within the lines of strictest truth, however, to say that in point of design, materials used, and in arrangement and equipment throughout, the new building of the National Commercial Bank (which is occupied exclusively by the bank) conforms to the most approved ideas of banking architecture and furnishing. Steel, marble, bronze, glass and walnut are combined in a manner to produce the most beautiful and useful results, while every consideration imposed by safety and convenience has been fully met. Heating, lighting and ventilation, combined with abundant room, afford a maximum of comfort to the officers and clerks engaged in transacting the business of the bank.

The National Commercial Bank has a long and honorable history. It was

CHAS. H. SABIN,
Vice-President National Commercial Bank.

chartered under a special act of the New York Legislature May 23, 1826, and was incorporated under the general banking law of the State enacted in 1838. It became a National bank in 1865. For over seventy years the bank has been a depository of State funds.

The first home of the bank was at Nos.



National Commercial Bank, Albany, N. Y.

38 and 40 State Street. Originally the capital was $300,000; it is now $500,000, and the shares, which were at the start valued at $100, are now quoted at $480, and none are on the market.

During its long career the bank has rendered conspicuous services not only to the business interests of Albany, but

EDWARD J. HUSSEY,
Cashier National Commercial Bank.

to the State and Nation as well. In the Civil War it lent the Governor of New York $3,500,000, without security, to pay bounties to volunteers in defense of the Union. In the 1893 panic it paid the State on demand $800,000.

Since its organization many eminent men have been connected with the institution. Joseph Alexander was the first President and Henry Bartow the first Cashier. Robert H. Pruyn, fifth President of the bank and father of the present President, was in turn member of the Assembly, Speaker of the Assembly, Judge Advocate-General, Adjutant-General, Minister to Japan and Chairman of the Constitutional Commission of 1872. John Townsend, second President of the bank, was Mayor of Albany from 1829 to 1831 and from 1832 to 1833. John L. Schoolcraft, third President, was for two terms Congressman from the Albany district. Daniel Manning, sixth President, was Secretary of the Treasury under President Cleveland's Administration.

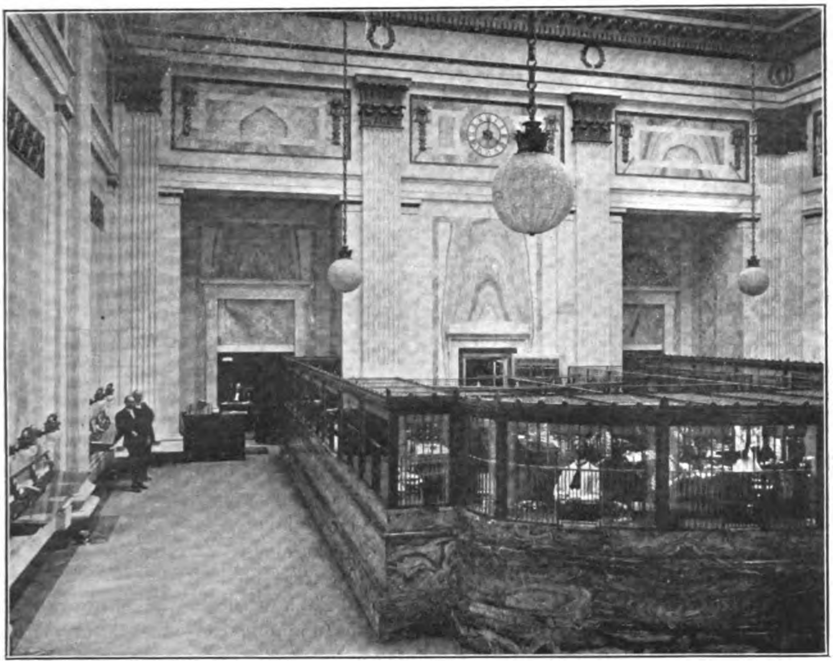
Robert C. Pruyn has served as President of the bank for the past nineteen years. He became a director in 1881, was elected Vice-President on March 4, 1882, and became President on May 23, 1885, succeeding Daniel Manning. President Pruyn was born in Albany October 23, 1847, and all his life has been connected with local enterprises of importance. He entered business shortly after his graduation from Rutgers College in 1869 and seems to have inherited his father's remarkable administrative capacity. Mr. Pruyn was elected a member of the State Board of Regents in February, 1901.

Charles H. Sabin, the Vice-President, is a thoroughly experienced bank official. Beginning as a clerk in the National

HUGH N. KIRKLAND,
Asst. Cashier National Commercial Bank.

Commercial, he later went to the Park Bank and was called to the position of Cashier of the Albany City National Bank, which he held until January 1, 1902, when he was invited to return to the National Commercial as Vice-President and General Manager.

Cashier Edward J. Hussey has been



NATIONAL COMMERCIAL BANK, ALBANY, N. Y. VIEW OF BANKING ROOMS.

connected with the National Commercial Bank for thirty-four years and has won his way to his present high position by long, intelligent and faithful service. He started when a mere boy as a clerk in the bank, was later promoted to teller, then Assistant Cashier and finally Cashier. He is one of the best-known men in Albany, and is popular with all classes in the community.

Hugh N. Kirkland, Assistant Cashier, while yet a young man, has demonstrated that he has special qualifications as a bank official. He came to Albany from New York, where he held a position with Redmond, Kerr & Co., to accept the position of Assistant Cashier in the Albany City National. In 1902 he accepted the same position in the National Commercial.

The directors are: Simon W. Rosendale, Robert C. Pruyn, Grange Sard, Robert L. Fryer, James H. Manning, Horace G. Young, A. N. Brady, Charles Tracey, Frederick Tillinghast, George H. Thacher, John E. Walker, Gerrit Y. Lansing, Charles H. Sabin, Edward A. Groesbeck, Louis I. Waldman.

The capital of the National Commercial Bank is $500,000; surplus and profits, $1,154,000, and deposits about $12,000,000.

CHICAGO.

THE NATIONAL BANK OF THE REPUBLIC OF CHICAGO.

A bank whose deposits have grown from a little over $3,000,000 in 1896 to $15,000,000 at the present time must have in its organization and management some qualities that strongly appeal to the confidence of the public, and must have shown some uncommon degree of efficiency of service to its patrons.

JOHN A. LYNCH,
President National Bank of the Republic.

Although financial strength is, and ever must be, the prime essential of successful banking, the proper utilization and conservation of that strength—making it quickly available when and where needed, and denying its use to promote hazardous ventures—are hardly less important if the bank would reap the full measure of profit and attain to great financial power.

The management of a great city bank of to day demands not only banking talent of a high order, but with the wide ramifications of business it calls for especial familiarity with the peculiar needs of those who are to be served. Many of the great city banks have become to a large extent bankers' banks. The National Bank of the Republic, of Chicago, has been among those noted for having an extensive list of country correspondents. It is none the less popular, however, with its local depositors, but has been one of the bulwarks of the business interests of the Western Metropolis.

The marked degree of success the bank has achieved in meeting the requirements of out of-town banks has been attributed not only to the large capital and resources of the National Bank of the Republic, but to the further fact that most of its officers are familiar, by experience, with the exact needs of the banks located outside the large centers. Thus they know the country banker's wants, for they have experienced them. By long and thorough study and knowledge gained by handling a large number of out-of-town accounts, the National Bank of the Republic has further perfected its equipment as a bank on which correspondents may rely for the best service attainable. The management of the bank has been always able and sound, as well as efficient.

John A. Lynch, President of the National Bank of the Republic, was one of the organizers of the bank, and was elected President shortly after its organ-

R. M. McKINNEY,
Cashier National Bank of the Republic.

ization in 1891. He personally attends to the bank's loans, and is an exceptionally good judge of credits.

W. T. Fenton, Vice-President, and active in the management of the bank, is one of the well-known bankers of the country. He has been President of the Chicago Clearing-House Association, and is a member of the executive council of

R. L. CRAMPTON,
Asst. Cashier National Bank of the Republic.

the American Bankers' Association. His courteous and amiable disposition has made him many friends. Indeed, courtesy to all having relations with the bank is one of the institution's unvarying rules, and one to which no small share of its prosperity is attributed.

R. M. McKinney, the Cashier, was trained in a country bank, but he has been for many years in the service of the National Bank of the Republic, occupying until recently the position of Assistant Cashier.

R. L. Crampton, O. H. Swan and Thomas Jansen are Assistant Cashiers, thoroughly devoted to the bank's interests and serving it diligently.

Mention has been made of the growth of the bank's deposits. It should be noted also that in 1902 the capital was increased from $1,000,000 to $2,000,000, and the surplus and profits have grown from $160,000 in 1898 to nearly $900,000.

THE EQUITABLE TRUST COMPANY.

Having the responsibility that comes of ample capital and surplus, and the skill and judgment acquired by long and wide experience, and being under the management of men of known financial capacity, the Equitable Trust Company, of Chicago, can justly assert its ability to care for all trust company business in a manner that will produce the best attainable results for its clients. The company is under the supervision of the Auditor of Public Accounts of the State of Illinois, operates under wise and carefully-administered laws, and is managed by officers and directors who have ever made safety the first consideration.

A company having the resources and strong management of the Equitable Trust Company is manifestly better equipped than any individual can be to act in a trust capacity. This company confines itself entirely to the administration of trusts, doing neither a banking nor title business. It accepts and executes trusts of every description, restricting its loaning operations to the domain

of legitimate investment of trust funds. These funds are kept separate from the assets of the company. Besides the functions mentioned above, the company is a legal depository for court and trust funds; it acts as agent for the registration and transfer of bonds and stocks of corporations and the payment of coupons, interest and dividends; takes entire charge of estates; receipts for and safely keep wills without charge. Deposits are received payable on demand, on notice, or at a fixed date, on which special rates of interest are allowed.

HOME OF EQUITABLE TRUST CO., CHICAGO.

In addition to the elements making for strength already mentioned, The Equitable Trust Company has $500,000 paid up capital and $350,000 surplus. It is, moreover, under the management of capable and experienced bank and trust company men, who have built up a solid reputation in the world of finance. The officers of the company are: President, J. R. Walsh; Vice-President, L. A. Walton; Secretary and Treasurer, C. D. Organ; Assistant Secretary and Assistant Treasurer, C. Huntoon. Directors: Wm. Best, F. M. Blount, Maurice Rosenfeld, Fred G. McNally, John M. Smyth, J. R. Walsh, L. A. Walton.

NATIONAL LIVE STOCK BANK.

In looking over the official statement of this bank for June 9, 1904, one is impressed with the very strong position of the bank with respect to its quick resources—over $4,527,000 against deposits of $7,940,000. And of course this does not take into account the $5,609,386 of loans and discounts, a large part of which could be made quickly available if occasion required.

Among the resources are no "real estate, furniture and fixtures" nor "other real estate and mortgages owned." The item of "overdrafts, $12.78," is worth mentioning just because there is so little of it.

Running the eye down the statement, passing the $1,000,000 capital, we come to "surplus fund, $750,000," which certainly looks well; and the next item, "undivided profits, $531,503," increases respect for the sound and able character of the bank's management.

Throughout this is a clean and creditable bank statement. Sometimes these statements are not very illuminating, but the report made by the National Live Stock Bank speaks so plainly of careful and successful banking that he who runs may read.

The total resources of the bank on the date mentioned were $10,271,787, and it is to be noted that in proportion to its total footings the business done by the National Live Stock Bank probably exceeds that of any bank in the country, the deposits received in a single year having reached the enormous aggregate of over $750,000,000.

These results have been due to the success of the bank's efforts to make adequate provision for supplying banking facilities for local customers and out-of-town banks and bankers. Great care has been given to the latter feature, and the rate of annual gain in the number of correspondents shows that the country banks are not slow in recognizing the superior nature of the facilities offered.

The officers of the bank are: President, S. R. Flynn; Cashier, G. A.

CONTINENTAL NATIONAL BANK BUILDING, CHICAGO.

Ryther; Assistant Cashiers, G. F. Emery and W. F. Doggett.

Besides the officers named above, the bank has a board of directors representative of the strong financial interests of Chicago. The National Live Stock Bank is an energetic and vigorous competitor for a fair share of the banking business of Chicago and the surrounding territory. By fair and courteous treatment of all, and by keeping close to safe principles in the administration of its business the bank has won an enviable position.

CONTINENTAL NATIONAL BANK.

Since its organization in 1883 the Continental National Bank, of Chicago, has gained in the volume of its business at a rate that bears strong witness to the energy and capacity of the management. By 1895 the deposits had reached $9,000,000, and they have kept on growing till they now exceed $41,692,000. Although two banks have been absorbed by the Continental National—the International in 1897 and the Globe National in 1898—these mergers only added some $3,000,000 to the deposits of the Continental National. The growth has been due to the safe but energetic policy pursued by the bank, aided, of course, by the general increase in all business lines.

The Continental National Bank is well equipped for the intelligent and expeditious transaction of both local and out-of-town business, and its large line of bankers' accounts from all sections of the country, but notably the Northwest, is an emphatic endorsement of the bank's enlightened and liberal policy, and a just recognition of the superior facilities it offers. A wide personal acquaintance with customers, and a devoted appreciation of their needs, has made the result possible in the comparatively short span of time in which all this was accomplished.

But the correspondence department is by no means exceptional in the nature of its facilities for meeting the public wants. Every function pertaining to legitimate banking is discharged with scrupulous fidelity to the interests of patrons—which are regarded as being identical with those of the bank. Liberality, in so far as consistent with absolute safety, promptness and courtesy govern all the bank's transactions. Having a capital of $3,000,000, surplus and profits of $1,849,490, and total resources amounting to $46,090,989, the Continental National Bank has the strength that comes of large means, and is prepared to grant the use of its facilities to banks, bankers and others on a basis of moderate remuneration for services rendered.

The reputation the bank has earned is that of a thoroughly sound and carefully-conducted institution—a type, in fact, of the best modern banks. Its officers are men of demonstrated ability and wide experience. They are as follows: President, John C. Black; Vice Presidents, G. M. Reynolds, N. E. Barker; Assistant Cashiers, Ira P. Bowen, Benj. S. Mayer, W. G. Schroeder, Herman Waldeck and John McCarthy.

An illustration of the building is shown herewith. At first but a moderate amount of space was occupied, but with the expansion of business the space taken up by the bank has been extended. The banking rooms are large and are well fitted up throughout.

NORFOLK, VA.

That this city has grown remarkably in the past few years, is a well known fact, and it was to be expected that the banks would prosper. They have not only shared in the general prosperity of the South but have helped materially to bring it about. While it is often said that banks do not directly create capital, they certainly aid in its efficient employment.

The Citizens' Bank, of Norfolk, was organized in 1867, Richard Taylor being

the first President and W. W. Chamberlaine, Cashier. It began business with $50,000 capital, and soon gained that large measure of public confidence which it has steadily maintained and increased. From time to time additions have been made to the capital until now it is $300,000 and the surplus $250,000. While the bank has paid large returns to its stockholders (over $500,000 since organization) it has always been the policy of the management to keep the surplus large, thus affording the highest degree of safety to depositors.

Quite recently the Citizens' Bank absorbed the business of the Virginia-Carolina Trust Company, the consolidation resulting in a large addition to the volume of business done. W. W. Moss, who was President of the Virginia-Carolina Trust Co., became President of the Citizens' Bank when the merger went into effect. He is one of the youngest bank Presidents in Virginia and at the head of one of the largest banks. The other officers are: Vice-Presidents, J. W. Perry and McD. L. Wrenn; Cashier, Tench F. Tilghman; Assistant Cashier, Norman Bell, Jr.

The Citizens' Bank of Norfolk deservedly ranks with the South's most successful banks.

ST. LOUIS.

NATIONAL BANK OF COMMERCE.

The remarkable strides made by St. Louis in industry, commerce and financial power are illustrated in the history of the National Bank of Commerce, which is not only the largest bank in that city, but is recognized as one of the leading banks of the country. Its management has a reputation for sagacity and progressiveness that commands the admiration of all careful observers of banking development. A brief history of the bank will show that this statement is founded on a careful regard for truth.

Like most of the great banks of the country, the National Bank of Commerce had a humble beginning. It was chartered by the Missouri Legislature February 14, 1857, as the St. Louis Building and Savings Association, the charter embracing banking privileges in addition to the authority to loan money for building purposes. The original authorized capital was $500,000, divided into 1,000 shares of $500 each, but at the beginning of business, July 6, 1857, only $8,500 had been paid in. By January, 1863, $200,000 had been paid, and about this time the par value of the shares was changed to $100, and in May, 1864, the capital was increased to $300,000. On November 3, 1868, it was voted to change the name to the Bank of Commerce, the change becoming effective on the first of January succeeding. A policy of accumulating a surplus fund was also established. On July 1, 1882, 200 shares of stock were sold to shareholders at $400 a share, making the capital $500,000 and surplus $1,500,000. On December 16, 1889, the bank entered the National banking system as the National Bank of Commerce, with $500,000 capital, $100,000 surplus and $1,500,000 undivided profits. Steps were taken to capitalize the undivided profits and to increase the capital to $3,000,000, the new stock being sold at $125, making in addition to the capital $350,000 surplus and profits. In July, 1899, the capital was once more increased, to $5,000,000 this time, and surplus and undivided profits to over $5,000,000, and in July, 1902, the capital was made $7,000,000, surplus $5,000,000, and undivided profits over $3,000,000.

In this brief summary of the growth of the bank's capital may be found an epitome of the marvellous development of St. Louis and the great Southwestern country tributary to that city. The National Bank of Commerce has been guided by men who foresaw the banking possibilities incidental to the growth of St.

NATIONAL BANK OF COMMERCE BUILDING, ST. LOUIS.

Louis and the outbringing of the resources of the Southwest. Not only has a great and solid bank been built up, but an adequate return has been made to shareholders. When the bank took out a National charter it returned the entire investment to the shareholders, making, with the dividends paid, an average yield of 23.8 per cent. for a period of over thirty-two years. Since becoming a National bank the dividends have averaged above seven per cent. annually.

W. H. Thompson, the President of the bank, has been a director for over twenty-six years, his election dating from January 8, 1878. He is Treasurer of the Louisiana Purchase Association and enjoys a high reputation as a sound judge of financial matters.

J. C. Van Blarcom, Vice-President, and President of the St. Louis Clearing-House Association, has been with the bank since 1870. He was bookkeeper for a time, then Secretary and Treasurer, and for twenty-two years Cashier. He became Vice-President at the regular annual election in 1899. The other officers are: Vice-Presidents, B. F. Edwards, F. E. Marshall and John Nickerson; Cashier, J. A. Lewis; Assistant Cashiers, C. L. Merrill, W. B. Cowen, F. W. Wrieden and G. N. Hitchcock.

The new building of the bank, an illustration of which is shown herewith, was first occupied in July, 1902. It is twelve stories high, and is one of the notably fine bank buildings of the country. It is fitted up and furnished throughout in a manner as nearly perfect as human ingenuity and taste can attain.

Only so recently as 1887 the deposits of the National Bank of Commerce were but $7,342,000; now they are over $47,000,000. There has been a gain of $20,000,000 since 1899.

BURROUGHS ADDING MACHINE.

A MECHANICAL WONDER.

Adding machines have become so important a factor in promoting the efficiency of modern business methods that a brief history of the development of this machine and a statement of some of its uses will prove interesting.

The Burroughs Adding Machine, which was the first practical machine of its kind built, was invented by Wm. S. Burroughs, a bookkeeper of St. Louis. After years of drudgery at a desk Mr. Burroughs determined to invent some device that would relieve humanity of that brain-wearing, nerve-racking work —addition, and this machine is the splendid monument of that determination.

Year after year Mr. Burroughs toiled in his little poorly-equipped shop, perfecting now this, now that; suffering many a disappointment, but with untiring perseverance followed out the ideas with which genius had endowed him, until his machine would print a column of figures of any desired length, and by simply pressing a key the absolutely correct total of those figures would be instantly recorded at the foot of the column and the slip handed to the operator.

To be sure, the company at present owning and manufacturing this wonderful machine has greatly improved and perfected it, but to Mr. Burroughs belongs the sole credit of its achievement. He died before he could reap the benefits of his success, and the American Arithmometer Company, manufacturers of the Burroughs machine, its officers and employees, have recently erected over his grave in a St. Louis cemetery a monument to his ingenuity and perseverance.

Twelve years ago, when the Burroughs machine was first placed on the market, it was looked upon with doubt and suspicion, but now no such conditions confront it, for its thousands and thousands of users have given testimonial after testimonial as to its accuracy, and the fact that it has no tendency to get out of order adds pleasure to its use. Of course, its tremendous success is based upon these two good qualities, for were it not always accurate and in order it could not be depended upon.

Banks use this machine for balancing pass-books and clearing-house exchanges,

totaling individual and general ledgers, listing checks, deposits and discounts, writing credit and remittance letters, also monthly reconcilements, as well as balancing letters with the general books, and many other uses too numerous to mention. In business houses it is used in general office work for pay-rolls, sales-tickets, monthly statements, taking inventories, trial balances, totaling sales, shipments, etc., listing checks and deposits, making footings of cash books, cost and employment departments, making up monthly statements, proving additions, etc.

The Burroughs Adding Machine has been manufactured for the past twelve years in St. Louis, Mo. The business has grown to such an extent, however, that it was found necessary to build a new factory, and the manufacturers of this machine are now erecting a factory at Detroit, Mich., which will be one of the finest factories in the United States. The company expects to be in its new quarters sometime in October.

BOOTH OF THE AMERICAN ARITHMOMETER COMPANY IN THE LIBERAL ARTS BUILDING AT THE WORLD'S FAIR, IN WHICH BURROUGHS ADDING MACHINES ARE EXHIBITED.

"THE AGE OF RESULTS."

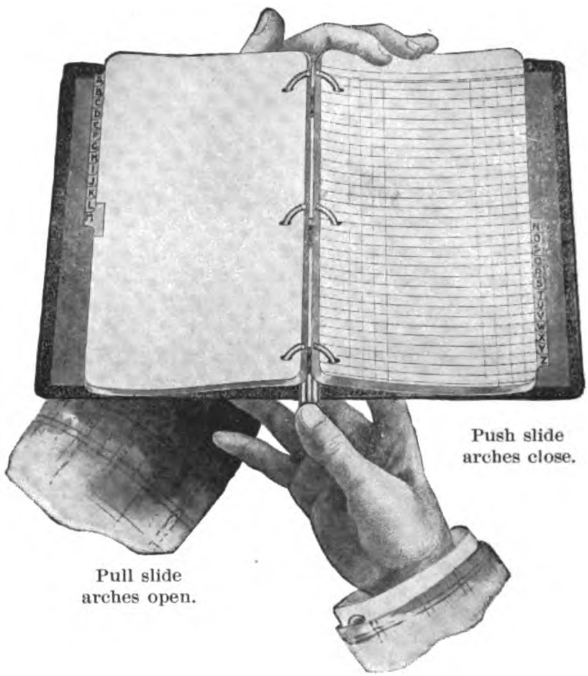
The different periods of the world's development characterized by the predominating achievement or tendency, such as the stone, the iron, the golden age, etc., have gone down in history as steps in the advancement of man. The steam and electrical age are still with us; the next will be the age of results, or the utilization of the most approved labor-saving and productive forces and ideas.

Without proper records, comparative statements, data, etc., no proportionate results can be figured nor comparison made of relative values. As necessity is the mother of invention, the need of records to suit the present and prospective conditions have brought out the Loose Leaf Records, Flat Opening Books. Quick Acting Files, etc., etc.

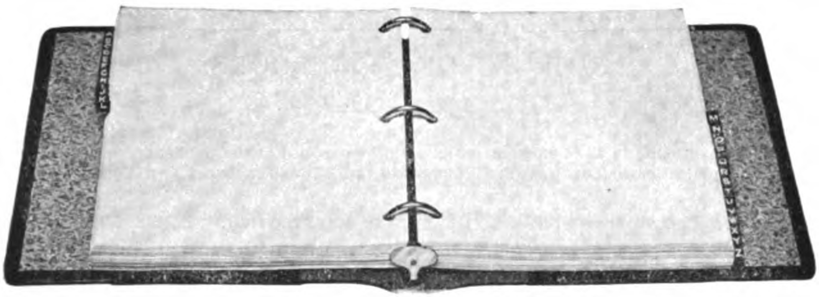
With the interchangeable leaf, which can be inserted or removed at a moment's notice in a neat or Elegant Cover, with all the security and other advantages of a bound book, we have the additional convenience of:

First.—Arranging all matter in any sequence desired; viz., by subject, by number, by alphabet, by territory, by class.

Second.—We can cull out all obsolete matter which temporarily needs no attention, and destroy or file it away in a neat Post Binder in any order desired, for future use, and retain in the current cover the data which need attention.



THE UNIMATIC LOOSE LEAF BOOK. POCKET AND DESK SIZES.



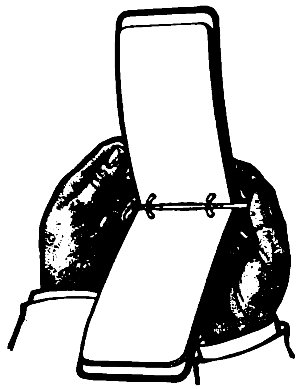
The Rotamatic Loose Leaf Book for all Purposes Where Books are Required.
[A twist of the wrist opens or closes arches.]

Third.—We can subdivide hitherto large bulky books, into as many volumes as may be desired for convenient handling by two or more persons. By this method balances may be worked up by three or four clerks on the same class of accounts, whereas by the old method only one man could work on that one book.

Fourth.—Daily reports or statements may be written by typewriter, with carbon duplicates, and the same reports on Loose Leaves to fit same size cover; one each for President, Vice President, Cashier, or others, with no necessity of having the statement book leave the desks of the officers a moment.

Did space suffice we could point out innumerable other arrangements of the advantage of Loose Leaf Books. The Rotamatic Cover for larger, and the Unimatic Cover for smaller classes of accounts are ideal, and no banker should neglect the opportunity of examining these convenient covers, which can be used for so many and such diverse purposes.

We call attention to the advertisement, to be found elsewhere in this issue, which should appeal to the progressive



The Unimatic Loose Leaf Vest Pocket Memo. Book.

banker, which so impressed us, after visiting one of the large factories where these productions are made, that we could not refrain from letting our brother workers know of them.

New York State Banks.—Report of condition September 8, 1904 at the close of business.

Resources.	
Loans and discounts, less due from directors	$240,312,935
Liability of directors as makers	9,478,286
Overdrafts	160,091
Due from trust companies, banks, bankers and brokers	42,767,603
Real estate	12,695,340
Mortgages owned	4,885,216
Stocks and bonds	31,149,232
Specie	40,980,063
Legal tenders and bank notes	19,601,875
Cash items	40,543,027
Other assets	913,048
Add for cents	591
	$443,487,307

Liabilities.	
Capital	$28,070,700
Surplus fund	22,994,282
Undivided profits	11,093,515
Due depositors on demand	304,866,403
Due to trust companies, banks, bankers and brokers	57,091,626
Due savings banks	16,561,922
Due the Treasurer of the State of New York	1,903,660
Amount not included under any of the above heads	904,901
Add for cents	298
	$443,487,307

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to THE BANKERS PUBLISHING CO., 87 Maiden Lane, New York.]

LE MARCHE FINANCIER en 1903–04. By ARTHUR RAFFALOVICH. Paris: Librarie Guillaumin et Cie; octavo, pp. 1100.

The annual compilation of M. Arthur Raffalovich, the Russian Financial Agent in London, on the money market comes out as usual for 1903 and the spring of 1904, in spite of the added duties which must have been imposed upon M. Raffalovich by recent events. The volume grows in size almost every year and now comprehends almost exactly 1100 pages. It is packed with valuable material for the student of markets both abroad and in America. The financial and commercial history of England, France, Germany, Russia, Austria-Hungary and other countries, is passed in review with fulness of detail which is found in few other publications. The history of the stock market decline in the United States and its reaction upon trade and political events fills about ninety pages, contributed in large measure, as during several years past, by Mr. Alexander D. Noyes of the "Evening Post."

The usual separate chapters are given to an opening review, written probably by M. Raffalovich himself, and to "The Precious Metals and Monetary Questions," contributed by M. Achille Viallate, who is making so enviable a reputation in these subjects. In his general review, M. Raffalovich refers in a pointed manner to the unfortunate results which have attended the effort made in Germany to prevent trading for future delivery and on margins. He says, regarding the inquiry instituted by M. Thielmann, of the Treasury Department:

"The inquiry has brought clearly into view the figures which indicate the decline of the exchanges. The suppression of future dealings has rendered shocks more acute, and has increased the fluctuations in the quotations, and the increase of affairs on a cash basis has caused a great locking-up of capital. The concentration of banking power, the suppression of banking institutions of small and moderate size, the growing preponderance of Berlin and the establishments which have their headquarters there, are also indirect consequences of the Bourse law. The law has precipitated events by hastening the disappearance or absorption of modest private bankers. At the end of 1903 the public was surprised by the establishment of very close relations without absolute fusion between the Bank of Dresden and the Schaaffhausensche Bankverein. It is not a fusion, because registration of the shares would have cost 5,000,000 marks, but a community of interest which brings together 284,000,000 of marks ($70,000,000)."

Some thirty odd pages are devoted by M. Viallate to a review of the work of the Commission on International Exchange of the United States, which visited Europe in the summer of 1903 to secure agreement on the gold standard for China and the dependencies of European countries. This review gives in the main a very intelligent summary of the purposes and arguments of the commission, but it is to be regretted that M. Viallate falls into the error of quoting, even with the qualifications which he makes, the misrepresentations of a somewhat heedless critic of the commission, who seems to have manufactured a number of facts regarding its membership to suit his own purposes.

What M. Raffalovich presents on Russia is always interesting and displays a fair degree of candor in spite of a certain official obligation to put the best face on the economic development of the country.

THE MONEY QUESTION.

VIEWS OF THE LEADING CANDIDATES FOR THE PRESIDENCY.

[From President Roosevelt's Letter of Acceptance.]

* * * So much for what our opponents openly or covertly advance in the way of an attack on the acts of the Administration.

When we come to consider the policies for which they profess to stand we are met with the difficulty always arising when statements of policy are so made that they can be interpreted in different ways.

On some of the vital questions that have confronted the American people in the last decade our opponents take the position that silence is the best possible way to convey their views. They contend that their lukewarm attitude of partial acquiescence in what others have accomplished entitles them to be made the custodians of the financial honor and commercial interests which they have but recently sought to ruin.

Being unable to agree among themselves as to whether the gold standard is a curse or a blessing and as to whether we ought or ought not to have free and unlimited coinage of silver, they have apparently thought it expedient to avoid any committal on these subjects and individually each to follow his particular bent. Their nearest approach to a majority judgment seems to be that it is now inexpedient to assert their convictions one way or the other, and that the establishment of the gold standard by the Republican party should not be disturbed unless there is an alteration in the relative quantity of production of silver and gold.

Men who hold sincere convictions on vital questions can respect equally sincere men with whose views they radically differ; and men may confess a change of faith without compromising their honor or their self-respect. But it is difficult to respect an attitude of mind such as has been fairly described above; and where there is no respect there can be no trust. A policy with so slender a basis of principle would not stand the strain of a single year of business adversity.

We, on the contrary, believe in the gold standard as fixed by the usage and verdict of the business world, and in a sound monetary system as matters of principle; as matters not of momentary political expediency, but of permanent organic policy. In 1896 and again in 1900 far-sighted men, without regard to their party fealty in the past, joined to work against what they regarded as a debased monetary system. The policies which they championed have been steadfastly adhered to by the Administration; and by the act of March 14, 1900, Congress established the single gold standard as the measure of our monetary value. This act received the support of every Republican in the House and of every Republican except one in the Senate. Of our opponents, eleven supported it in the House and two in the Senate; and one hundred and fifty opposed in the House and twenty-eight in the Senate. The record of the last seven years proves that the party now in power can be trusted to take the additional action necessary to improve and strengthen our monetary system, and that our opponents cannot be so trusted. The fundamental fact is that in a popular Government such as ours no policy is irrevocably settled by law unless the people keep in control of the Government men who believe in that policy as a matter of deep-rooted conviction. Laws can always be revoked; it is the spirit and the purpose of those responsible for their enactment and administration which must be fixed and unchangeable. It is idle to say that the monetary standard of the nation is irrevocably fixed so long as the party which at the last election cast approximately forty-six per cent. of the total vote, refuses to put in its platform any statement that the question is settled.

A determination to remain silent cannot be accepted as equivalent to a recantation. Until our opponents as a party explicitly adopt the views which we hold and upon which we have acted and are acting, in the matter of a sound currency, the only real way to keep the question from becoming unsettled is to keep the Republican party in power.

[From Hon. Alton B. Parker's Letter of Acceptance.]

I wish, here, however, again to refer to my views as to the gold standard, to declare again my unqualified belief in said standard, and to express my appreciation of the action of the convention in reply to may communication upon that subject.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on March 28, June 9 and September 6, 1904. Total number of banks: September 9, 1903, 5,042; September 6, 1904, 5,412; increase, 370.

RESOURCES.	*Mar. 28, 1904.*	*June 9, 1904.*	*Sept. 6, 1904.*
Loans and discounts	$3,544,998,559	$3,595,013,467	$3,726,151,419
Overdrafts	30,726,878	28,800,928	31,777,951
U. S. bonds to secure circulation	394,118,300	409,977,250	418,408,840
U. S. bonds to secure U. S. deposits	180,099,780	110,511,810	108,604,050
Other bonds to secure U. S. deposits	48,426,716	10,645,848	11,658,788
U. S. bonds on hand	13,165,550	17,535,765	13,210,760
Premiums on U. S. bonds	16,378,170	16,435,972	16,210,618
Bonds, securities, etc	532,837,907	566,252,212	589,241,085
Banking house, furniture and fixtures	113,693,796	117,038,371	119,753,526
Other real estate owned	20,821,485	20,793,479	20,330,281
Due from National banks	289,418,963	289,397,500	302,216,207
Due from State banks and bankers, etc	94,818,426	92,347,171	97,482,450
Due from approved reserve agents	503,984,736	498,103,879	562,610,307
Internal-revenue stamps	18,320	15,412	10.145
Checks and other cash items	23,623,776	24,444,773	30,534,081
Exchanges for clearing-house	181,824,329	147,704,918	213,166,623
Bills of other National banks	25,524,600	28,795,425	26,826,955
Fractional currency, nickels and cents	1,708,711	1,809,068	1,793,496
Specie	464,417,270	488,664,145	504,742,935
Legal-tender notes	153,098,314	169,729,173	156,707,594
Five per cent. redemption fund	19,073,100	19,893,556	20,398,096
Due from U. S. Treasurer	3,217,924	4,080,562	3,246,286
Total	$6,605,995,616	$6,655,988,686	$6,975,086,504
LIABILITIES.			
Capital stock paid in	$765,974,753	$767,378,148	$770,777,854
Surplus fund	385,095,944	389,647,338	396,505,508
Undivided profits, less expenses and taxes	189,436,751	191,991,189	186,631,539
National bank notes outstanding	385,908,200	399,583,837	411,231,095
State bank notes outstanding	42,663	42,663	42,663
Due to other National banks	718,624,303	702,246,470	764,571,716
Due to State banks and bankers	298,602,728	283,670,678	319,779,238
Due to trust companies and Savings banks	333,254,128	392,717,484	445,565,539
Due to approved reserve agents	32,403,516	33,515,194	31,335,847
Dividends unpaid	1,321,366	1,090,766	973,952
Individual deposits	3,254,470,858	3,312,439,840	3,458,216,667
U. S. deposits	151,796,041	103,014,659	100,965,682
Deposits of U. S. disbursing officers	8,437,419	7,328,801	9,801,247
Bonds borrowed	51,035,648	35,058,315	34,284,485
Notes and bills rediscounted	6,317,143	8,725,501	11,881,678
Bills payable	17,767,314	21,869,980	25,458,378
Liabilities other than those above	5,506,833	5,667,785	7,063,407
Total	$6,605,995,616	$6,655,988,686	$6,975,086,504

Changes in the principal items of resources and liabilities of National banks as shown by the returns on Sept. 6, 1904, as compared with the returns on June 9, 1904, and Sept. 9, 19 3:

ITEMS.	SINCE JUNE 9, 1904.		SINCE SEPT. 9, 1903.	
	Increase.	*Decrease.*	*Increase.*	*Decrease.*
Loans and discounts	$131,137,952	....	$244,704,647	....
U. S. bonds	2,196,825	....	17,474,990	....
Due from National banks, State banks and bankers and reserve agents	82,460,414	....	142,167,727	....
Specie	16,084,790	....	107,192,767	....
Legal tenders	....	$13,021,579	....	$42,265
Capital stock	3,399,706	....	17,055,196	....
Surplus and other profits	1,498,519	....	26,765,598	....
Circulation	11,647,258	....	36,193,280	....
Due to National and State banks and bankers	149,102,514	....	334,769,595	....
Individual deposits	145,776,926	....	301,883,168	....
United States Government deposits	....	9,377,808	....	48,649,317
Bills payable and rediscounts	6,744,574	....	....	9,726,314
Total resources	319,097,817	....	664,656,537	....

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of **New National Banks** (furnished by the Comptroller of the Currency), **State and Private Banks, Changes in Officers, Dissolutions and Failures**, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—At the annual meeting of the New York Clearing-House October 4 Dumont Clarke, President of the American Exchange National Bank, was elected President, to succeed James Stillman. Walter E. Frew, Vice-President of the Corn Exchange Bank, was elected Secretary. William Sherer was reappointed Manager and William J. Gilpin Assistant Manager.

William H. Porter and Valentine P. Snyder were elected members of the clearing-house committee, and these new members were elected to the other committees: Conference Committee—Edward Townsend, A. B. Hepburn, A. S. Frissell. Nominating Committee—Stephen Baker, Gilson S. Whitson, Francis L. Hine. Admissions—James G. Cannon and Ruel W. Poor. Arbitration—Frederick B. Schenck, Thomas L. James and Forrest H. Parker.

The clearing-house transactions for the year have been as follows:

Exchanges	$59,672,796,804.41
Balances	3,105,858,575.60
Total transactions	$62,778,655,380.01

The average daily transactions:

Exchanges	$195,648,514.11
Balances	10,183,142.87
Total	$205,831,656.98

Total transactions since organization of clearing-house (fifty-one years):

Exchanges	$1,565,668,321,737.75
Balances	74,684,703,792.63
Total	$1,640,353,025,530.38

The association is now composed of thirty-six National banks and seventeen State banks. The Assistant Treasurer of the United States at New York also makes his exchanges at the clearing-house.

There are fifty-three banks and trust companies in the city and vicinity not members of the association which make their exchanges through banks that are members.

—Former Borough President J. Edward Swanstrom and others are reported to be organizing a new trust company in Brooklyn, which will probably be called the Home Trust Co., and will have $1,000,000 capital.

—The Bankers' Trust Company has entered the ranks of dividend-paying institutions, the directors having declared a dividend of 1½ per cent., payable October 1. This dividend called for a payment of $15,000, while, according to the officers of the company, the earnings for the eighteen months since the company was organized show something like $180,000.

—The Battery Park National Bank expects to open for business about the first of November. The bank will be located in the Battery Park Building. It will have a capital of $200,000 and a surplus of $100,000. E. A. De Lima will be the President.

—At a recent meeting of the board of directors of the Seaboard Air Line John Skelton Williams and J. W. Middendorf resigned as directors, and Charles A. Conant and N. S. Meldrum were elected to fill their places.

The office of chairman of the board, held by Mr. Williams, was abolished, and the duties and powers of that office will devolve on James A. Blair as chairman of the executive committee. The Williams holdings were bought by Thomas F. Ryan several weeks ago on behalf of the dominant interest.

—The October number of the "Monthly Bulletin of Investments," issued by Messrs. Fisk & Robinson, of 35 Cedar street, contains the following regarding the monetary situation:

"The fear of a sharp advance in the money rate incidental to the demand for funds from the West and South usual at this season has led to some degree of caution in the investment market during September, but as the rate for call loans from the first of the month to the time of going to press has not exceeded two per cent. and is now quoted at 1¾ to two per

cent., investors apparently have concluded that the rates for money are not likely to affect prices adversely and the demand for good railroad bonds is consequently increasing.

Although the surplus reserve of the New York banks has fallen far below the high figure of $58,613,075 reached on August 20, the surplus reserve on Saturday, September 24, was still $26,251,025, or $11,681,725 above that for the same period last year and the highest at that period for ten years past.

The large reserve, the weakness of foreign exchange, indicating imports of gold in case of need, and the provision made by borrowers for time loans running over the first of the year, give assurance, we believe, of easy money rates during the autumn and winter."

MIDDLE STATES.

Washington National Banks Consolidate.—An agreement was reached on October 1 between the representatives of the Metropolitan National Bank and the Citizens' National Bank, of Washington, D. C., which insures the merging of those two institutions under the name of the former. Northern capitalists, represented by George D. Appleton, are in the deal, and it is said that they intend to buy and merge banks in several cities.

Baltimore, Md.—In the case of the Southern Trust and Deposit Company against Governor Warfield and Attorney-General William Shepherd Bryan, Jr., Judge Baer, of the Circuit Court, has filed an opinion in which he decides that the trust company must make the deposit with the State Treasurer of the $30,000 in bonds or securities called for under the act of 1902, chapter 109, in the case of any safe deposit, trust, guaranty, loan and fidelity company, etc. The Southern Trust and Deposit Company had contended that it was exempt from making such deposit, as the company was doing a banking business.

Judge Baer decided that as the company had been incorporated as a trust, guaranty, loan and fidelity company, it was required to make the deposit.

It is said there are a number of small trust companies now doing business who have not complied with the law, and as it appears from the opinion that whether the capital stock is over or under $200,000 (the capital of the Southern Trust Company was only $62,000) they must deposit the $30,000.

The case first arose under a threatened forfeiture of the company's charter by the State, whereupon the company filed a bill to restrain such forfeiture.

Washington National Bank, St. Louis.—It is probable that the Washington National Bank of St. Louis is as conspicuous in the eyes of the bankers of the United States as any bank in that city, although only a little over a year old. The popularity of the institution is especially due to Cashier Homer N. Tinker, whose experience and adaptability enabled him to devise and place into the hands of every bank and banker the World's Fair Money Orders.

These orders are payable at the Washington National Bank, which is very desirably located in the heart of the wholesale district of the city, convenient to the principal hotels, and owing to its advantages and safety, no form of carrying funds has so commended itself to experienced bankers as the World Fair Money Orders, affording as they do ready means of identification, supplying the requirements of the holder at any time, and obviating the necessity of carrying large sums of money on the person.

Three thousand one hundred and sixty-nine banks have already adopted this means of providing their customers with a safe way of carrying funds, which can be obtained without personal identification, and this feature is one that every bank should call to the attention of its patrons.

Mr. Tinker was born in Pike County, Missouri, thirty-five years ago. After completing his education, and fired with an ambition to succeed in a business way, he sought employment as bookkeeper in a Texas bank. Through perseverance and attentiveness he worked up in the ranks, mastering every detail, making a careful study of credits and human nature, and it is said of him that he has the distinction of never making a loan that caused a loss to the institution with which he was connected.

He is now active Cashier of the Washington National Bank of St. Louis, which institution has recently doubled its clerical force and materially increased its floor space in order to properly handle its rapidly growing business. He has recently been elected President of the Farmers' National Bank of Hubbard, Texas, on account of his personal acquaintance and high standing in the community. He is Vice-President of the First Bank of Mertens, Texas, director in the First National Bank of Frost, Texas; also organized the Brandon Banking Co. of Brandon, Texas, and assisted in the organization of the Citizens' National Bank of Hillsboro, Texas, in which he still holds an interest. All of the banks are good dividend paying institutions.

Beginning as he did without a single dollar, his success can only be accredited to his ability, coupled with the fact that he shuns anything of a speculative nature.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

First National Bank, Newport, Tenn.; by John M. Jones, et al.

First National Bank, Currie, Minn.; by F. E. Duroe, et al.

First National Bank, Emerson, Neb.; by James F. Toy, et al.

Citizens' National Bank, Grinnell, Iowa; by H. F. Lanphere, et al.

First National Bank, Kensington, Kans.; by L. C. Ahlborn, et al.

First National Bank, McLean, Tex.; by R. H. Collier, et al.

Citizens' National Bank, Hot Springs, Ark.; by J. A. Townsend, et al.

West Winfield National Bank, West Winfield, N. Y.; by H. H. Wheeler, et al.

First National Bank, Greeley, Neb.; by A. P. Culley, et al.

First National Bank, Goodland, Ind.; by C. H. Bareford, et al.

National Bank of Pawnee, Pawnee, Ill.; by Geo. W. Lemmon, et al.

Citizens' National Bank, Geneva, Neb.; by E. K. Cobb, et al.

First National Bank, Metuchen, N. J.; by Augustine Campbell, et al.

Farmers' National Bank, Bridgewater, S. D.; by J. H. Anderson, et al.

Union National Bank, Johnstown, Pa.; by Geo. H. Love, et al.

Old National Bank, Beaver Dam, Wis.; by J. E. McClure, et al.

First National Bank, McComb, Miss.; by J. L. Moyse, et al.

First National Bank, Union Springs, Ala.; by S. C. Cowan, et al.

First National Bank, Johnston City, Ill.; by M. Ozment, et al.

Colonial National Bank, Connellsville, Pa.; by L. F. Ruth, et al.

Bellingham National Bank, Bellingham, Wash.; by F. F. Handschy, et al.

First National Bank, Mound City, Ill.; by James H. Galligan, et al.

First National Bank, Sykesville, Pa.; by A. W. Sykes, et al.

First National Bank, Goff, Kans.; by L. D. Allen, et al.

First National Bank, Vienna, S. D.; by J. Benj. Graslie, et al.

Mount Jewett National Bank, Mount Jewett, Pa.; by M. J. Gallup, et al.

National Citizens' Bank, Canby, Minn.; by Geo. Fitzsimmons, et al.

First National Bank, Randolph, Neb.; by John Oliver, et al.

Hamilton County National Bank, Cleves, O.; by Walter C. Renaker, et al.

First National Bank, Breckenridge, Tex.; by W. H. Eddleman, et al.

National Bank of Gallatin Valley, Bozeman, Mont.; by J. A. Hall, et al.

Citizens' National Bank, Franklin, O.; by B. C. H. Simpson, et al.

First National Bank, Buckeye City, O.; by A. J. Solomon, et al.

Curwensville National Bank, Curwensville, Pa.; by C. S. Russell, et al.

First National Bank, Montezuma, Ind.; by W. H. Sylvester, et al.

Morganfield National Bank, Morganfield, Ky.; by J. M. Crowe, et al.

Western National Bank, Mitchell, S. D.; by W. A. Heimberger, et al.

First National Bank, Weyauwega, Wis.; by C. A. Spencer, et al.

First National Bank, Fort Valley, Ga.; by W. H. Harris, et al.

First National Bank, Alexander City, Ala.; by Benjamin Russell, et al.

First National Bank, Sylacauga, Ala.; by S. P. McDonald, et al.

First National Bank, Shelburn, Ind.; by C. F. Johnson, et al.

First National Bank, Eddyville, Ky.; by T. H. Molloy, et al.

Farmers' National Bank, Trafalgar, Ind.; by R. Day Willam, et al.

NATIONAL BANKS ORGANIZED.

7362—First National Bank, Rocky Mount, North Carolina. Capital, $25,000; Pres., Wm. H. S. Burgwyn; Vice-Pres., Sidney P. Hillard; Cas., Wm. K. Battle.

7363—Parnassus National Bank, Parnassus, Pennsylvania. Capital, $25,000; Pres., D. S. Galley; Vice-Pres., Duncan McAlister; Cas., C. R. Alter.

7364–First National Bank, Branchville, New Jersey. Capital, $25,000; Pres., A. J. Canfield; Vice-Pres., M. D. Hughes; Cas., M. D. Hayward.

7365–Georgetown National Bank, Georgetown, Illinois. Capital, $25,000; Pres., R. H. Lewman; Vice-Pres., W. V. Jones; Cas., Gordon Grimes.

7366–Farmers' National Bank, Freeport, Pa. Capital, $50,000; Pres., T. G. Cornell; Vice-Pres., W. Fred Turner and W. A. Jack; Cas., D. H. Core.

7367–First National Bank, Portage, Pa. Capital, $25,000; Pres., Wallace Sherbine; Vice-Pres., Alfred B. Potterton; Cas., Wm. K. Swartz.

7368–Caddo National Bank, Caddo, Ind. Ter. Capital, $50,000; Pres., E. C. Million; Vice-Pres., E. Walters; Cas., James Hudspeth.

7369–First National Bank, Sioux Center, Ioa. Capital, $25,000; Pres., O. P. Miller; Vice-Pres., Chas. Creglow; Cas., Neal Mouw; Asst. Cas., G. D. Siemen.

7370–Farmers' National Bank, Clarksville, Ohio. Capital, $25,000; Pres., L. A. Bowman; Vice-Pres., L. T. Maunts; Cas., I. N. Lair.

7371–Citizens' National Bank, Thomasville, Ala. Capital, $25,000; Pres., J. H. Wood; Vice-Pres., J. A. McNider; Cas., J. W. Tucker.

7372–First National Bank, Bellingham, Wash. Capital, $100,000; Pres., E. W. Purdy; Vice-Pres., E. O. Graves; Cas., C. K. McMillin.

7373–First National Bank, Bertha, Minn. Capital, $25,000; Pres., F. B. Coon; Vice-Pres., Isaac Hazlett; Cas., L. H. Colson; Asst. Cas., L. M. Clark.

7374–People's National Bank, Rushville, Ind. Capital, $50,000; Pres., Edwin Payne; Vice-Pres., Charles A. Mauzy; Cas., Earle H. Payne; Asst. Cas., Ralph Payne.

7375–Citizens' National Bank, Tell City, Ind. Capital, $30,000; Pres., John T. Patrick; Vice-Pres., John W. Scull; Cas., Robert Huelsman; Asst. Cas., Clyde A. Scull.

7376–Pittsburg National Bank, Pittsburg, Texas. Capital, $25,000; Pres., L. R. Hall; Vice-Pres., R. A. Morris; Cas., S. R. Greer.

7377–Cando National Bank, Cando, N. D. Capital, $25,000; Pres., C. J. Lofgren; Vice-Pres., J. J. McCanna; Cas., Daniel F. McLaughlin; Asst. Cas., R. D. Gillis.

7378–First National Bank, Merit, Tex. Capital, $25,000; Pres., K. M. Moore; Vice-Pres., Sam P. Gibson; Cas., J. Frank Potts.

7379–First National Bank, Mulberry Grove, Ill. Capital, $25,000; Pres., R. H. Osborne; Vice-Pres., J. P. Lilligh; Cas., L. A. Osborne.

7380–First National Bank, International Falls, Minn. Capital, $25,000; Pres., E. W. Backus; Vice-Pres., Wm. F. Brooks; Cas., M. E. Trumer.

7381–First National Bank, Montpelier, Idaho. Capital, $25,000; Pres., Tim Kinney; Vice-Pres., E. A. Burrell; Cas., R. A. Sullivan.

7382–Farmers' National Bank, Henderson, Iowa. Capital, $25,000; Pres., A. S. Paul; Vice-Pres., C. E. Irwin; Cas., M. C. Turner.

7383–People's National Bank, Cherryvale, Kans. Capital, $50,000; Pres., C. O. Wright; Vice-Pres., B. F. Moore; Cas., Charles A. Mitchell; Asst. Cas., Geo. L. Brown.

7384–First National Bank, Sargent, Neb. Capital, $25,000; Pres., Frank H. Young; Vice-Pres., W. P. Higgins; Cas., H. A. Sherman; Asst. Cas., Mary Bidwell.

7385–First National Bank, Golconda, Ill. Capital, $25,000; Pres., Wm. A. Whiteside; Vice-Pres., Sim V. Clanathan; Cas., Wm. H. Whiteside.

7386–Cleveland National Bank, Cleveland, Okla. Capital, $25,000; Pres., J. H. Simmons; Vice-Pres., E. C. Mullendore; Cas., L. M. Drown.

7387–First National Bank, Braham, Minn. Capital, $25,000; Pres., Harry Dranger; Vice-Pres., C. J. Johnson; Cas., N. E. Anderson; Asst. Cas., James M. Anderson.

7388–First National Bank, Calistoga, Cal. Capital, $25,000; Pres., Harry H. Brown; Vice-Pres., Wm. Spiers; Cas., G. S. Cutler; Asst. Cas., E. L. Armstrong.

7389–First National Bank, Byars, Ind. Ter. Capital, $25,000; Pres., W. H. Eddleman; Vice-Pres., J. W. Gillett; Cas., W. C. Kandt; Asst. Cas., Thomas N. Byars.

7390–First National Bank, Fowler, Cal. Capital, $25,000; Pres., John D. Hickman; Vice-Pres., Wm. A. Patton; Cas., J. F. Avenell.

7391–First National Bank, Newton Falls, Ohio. Capital, $50,000; Pres., L. F. Merrill; Vice-Pres., H. H. Porter; Cas., H. Herbert.

7392–City National Bank, Texarkana, Texas. Capital, $100,000; Pres., T. H. Leeves; Vice-Pres., R. D. Z. Hart; Cas., B. C. Barrier; Asst. Cas., W. J. Hayes.

7393–First National Bank, Ansley, Neb. Capital, $25,000; Pres., Frank H. Young; Cas., C. MacKey; Asst. Cas., T. V. Varney.

7394–City National Bank, Lampasas, Texas. Capital, $50,000; Pres., W. F. Barnes; Vice-Pres., W. P. Darby; Cas., H. N. Key; Asst. Cas., W. B. McGee.

7395–Old National Bank, New Brighton, Pa. Capital, $100,000; Pres., Chas. C. Townsend; Cas., Geo. Davidson.

7396–Citizens' National Bank, Shelbyville, Ill. Capital, $50,000; Pres., E. A. Richardson; Vice-Pres., J. E. Dazey and D. F. Richardson; Cas., Thomas Newcomer.

7397–First National Bank of Franklin Co., Decherd, Tenn. Capital, $25,000; Pres., Lewis B. Davidson; Vice-Pres., F. Campbell; Cas., W. H. Featherston; Asst. Cas., Joe Hessey.

7398–First National Bank, Lumberton, N. C. Capital, $25,000; Pres., R. C. Lawrence; Vice-Pres., T. L. Northrop; Cas., H. M. McAllister.

7399–First National Bank, Senecaville, O.

Capital, $25,000; Pres., C. M. Hutchison; Vice-Pres., J. M. Gregg.

7400—Madera National Bank, Madera, Pa. Capital, $50,000; Pres., James E. Kirk; Vice-Pres., H. B. Swoope and S. J. Miller; Act. Cas., J. A. Klingensmith.

7401—City National Bank, Sioux City, Iowa. Capital, $100,000; Pres., A. T. Bennett; Vice-Pres., Wm. Jepson; Cas., A. J. Wilson; Asst. Cas., F. W. Kemp.

7402—Farmers and Merchants' National Bank, Franklin, Ky. Capital, $25,000; Pres., J. M. Crocker; Vice-Pres., John B. Finn; Cas., J. S. Milliken.

7403—First National Bank, Mason, O. Capital, $25,000; Pres., J. C. Bennett; Vice-Pres., W. R. Magie; Cas., B. L. Frye.

7404—First National Bank, De Funiak Springs, Fla. Capital, $35,000; Pres., W. H. Milton; Vice-Pres., M. M. Norrison; Cas., G. B. Campbell.

7405—Farmers' National Bank, Hickory, Pa. Capital, $25,000; Pres., J. A. Ray; Vice-Pres., Robert M. Wilson and James Caldwell; Cas., Robert R. Hayes.

7406—Nanticoke National Bank, Nanticoke, Pa. Capital, $100,000; Pres., A. A. Enke; Vice-Pres., A. Lape; Cas., E. M. Muir.

7407—Farmers' National Bank, Hubbard, Tex. Capital, $25,000; Pres., H. N. Tinker; Cas., Harvey Peacock; Asst. Cas., B. C. Roberts.

7408—United States National Bank, Denver, Colo. Capital, $200,000; Pres., W. A. Hover; Vice-Pres., Henry T. Rogers and Gordon Jones; Cas., A. C. Foster.

7409—People's National Bank, Zelienople, Pa. Capital, $50,000; Pres., C. J. D. Strohecker; Vice-Pres., W. J. Lamberton; Cas., A. B. Crawford; Asst. Cas., E. P. Young.

7410—First National Bank, Gorman, Tex. Capital, $30,000; Pres., W. H. Eddleman; Vice-Pres., Harry W. Kuteman; Cas., W. A. Waldrop; Asst. Cas., R. R. Waldrop.

7411—First National Bank, Linton, Ind. Capital, $50,000; Pres., W. J. Hamilton; Vice-Pres., B. A. Rose; Cas., William Bolten.

NEW BANKS, BANKERS, ETC.

ARKANSAS.

OZARK—People's Bank; capital, $50,000; Pres., M. B. Conatser; Vice-Pres., H. A. Nickell; Cas., J. S. Turner.

STUTTGART—Bank of Commerce; capital, $15,000; Pres., J. W. Underwood; Vice-Pres., J. H. Martin; Cas., Ray Underwood; Asst. Cas., S. G. Brain.

CALIFORNIA.

ARLINGTON—Citizens' Bank (Branch of Riverside).

BANNING—Banning State Bank; capital, $12,500; Pres., J. M. Westerfield; Vice-Pres., L. C. Waite; Cas., C. R. John.

CLOVIS—First State Bank; capital, $12,500; Pres., R. Norrish; Cas., O. I. Chamberlin.

FERNANDO—San Fernando Valley Bank; capital, $25,000; Pres., Isaac Springer; Vice-Pres., J. E. Wheat; Cas., F. J. Walker.

SAN DIEGO—Citizens' Savings Bank; capital, $25,000; Pres., Louis J. Wilde; Vice-Pres. and Cas., Fred Jewell; Asst. Cas., C. B. Whittelsey.

COLORADO.

AULT—Bank of Ault; capital, $30,000; Pres., J. W. McGlenn; Vice-Pres., J. W. Hodgell; Cas., D. J. Nikirk.

DISTRICT OF COLUMBIA.

WASHINGTON—Merchants and Mechanics' Savings Bank; capital, $50,000; Pres., H. W. Sherman; Vice-Pres., P. A. Drury; Cas., A. G. Clapham.

FLORIDA.

ALACHUA—Bank of Alachua; capital, $25,000; Pres., L. O. Benton; Vice-Pres., F. E. Williams; Cas., F. B. Godfrey.

ST. AUGUSTINE—People's Bank for Savings; capital, $25,000; Pres., John T. Dismukes; Vice-Pres., Thomas A. Pacetti; Cas., Thos. K. Cureton.

GEORGIA.

SPARKS—Merchants and Farmers' Bank; capital, $15,000; Pres., L. O. Benton; Vice-Pres., S. G. Ethridge; Cas., D. P. Edwards.

IDAHO.

ALBION—D. L. Evans & Co.; capital, $25,000; Pres., D. L. Evans; Vice-Pres., A. Lounsbury; Cas., J. A. Givens.

ILLINOIS.

ARMSTRONG—Farmers' State Bank (successor to Bass Bros. Bank); capital, $25,000; Pres., Fred Bass; Vice-Pres., A. G. Maury; Cas., D. E. Goodwine.

CRETE—Crete State Bank; capital, $25,000; Pres., Ernest W. Balgeman; Vice-Pres., Herman Schweppe; Cas., W. F. Koelling.

INDIANA.

CARBON—First State Bank; Pres., James A. Kerr; Vice-Pres., J. P. Coleman; Cas., R. T. Calender.

CROWN POINT—People's State Bank; capital, $60,000; Pres., M. Grimmer; Vice-Pres., T. S. Fancher; Cas., Henry Aulwurm.

DUGGER—Dugger State Bank; capital, $25,000; Pres., Joe Moss; Vice-Pres., W. R. Dugger; Cas., E. J. King.

HAUBSTADT—Haubstadt Bank; capital, $12,550; Pres., Aloiz Ziliak; Vice-Pres., Henry W. Luhring; Cas., T. Farthing.

WALDRON—Bank of Waldron; Pres., Jos. A. Haymond; Vice-Pres., Frank H. Haymond; Cas., Everett Haymond; Asst. Cas., Earl Haymond.

INDIAN TERRITORY.

CANADIAN—Farmers and Merchants' Bank; capital, $5,000; Pres., S. D. Button; Vice-Pres., R. F. Turner; Cas., Jno. O. Toole.

COPAN—Bank of Copan; capital, $10,000; Cas., A. L. Munger.

FORT GIBSON—Farmers' Bank; capital, $10,-000; Pres., J. H. Nakdimen; Vice-Pres., F. H. Nash; Cas., Clyde B. Kagy.

KONAWA—Citizens' State Bank; capital, $10,-000; Pres., Reid Riggins; Cas., W. R. Mershon.

LOCO—Bank of Loco; Pres., J. M. Robberson; Vice-Pres. and Cas., Milton M. Bowman.

IOWA.

DAVENPORT—Davenport Title and Trust Co.; Pres., A. H. Randolph; Sec. and Treas., Ira R. Taber.

GOLDFIELD—Bank of Goldfield; Pres., E. E. Taylor; Vice-Pres., R. H. Moore; Cas., G. O. Ross.

HORNICK—State Savings Bank (successor to Farmers' Loan and Trust Co.); capital, $15,000; Pres., James F. Toy; Vice-Pres., G. E. Adams; Cas., R. N. Rawson; Asst. Cas., R. W. Wood.

MONROE—Monroe Savings Bank; capital, $10,000; Pres., J. W. LeGrand, Sr.; Vice-Pres., Geo. Lackey; Cas., Chas. T. Schenck; Asst. Cas., F. B. Kingdon.

NORTH LIBERTY—North Liberty Savings Bank; capital, $10,000; Pres., R. H. Wray; Vice-Pres., David Stewart; Cas., S. E. Lehnen.

NEW PROVIDENCE—Bank of New Providence; capital, $8,000; Pres., A. F. Styles; Vice-Pres., J. H. Bales; Cas., J. R. Howard.

WATERLOO—Central Bank; capital, $50,000; Pres., A. J. Cushman; Cas., G. B. Van Arsdol; Asst. Cas., Roy Cushman.

KANSAS.

KANSAS CITY—Central Avenue State Bank; capital, $10,000; Pres., H. M. Woods; Cas., W. J. Rice.

KIOWA—Southwestern State Bank, capital, $12,500; Pres., C. E. Denton; Vice-Pres., T. V. Brown; Cas., C. D. Sample.

LECOMPTON—Lecompton State Bank; capital, $10,000; Pres., B. F. Wizer; Vice-Pres., E. P. Harris, Sr.; Cas., John E. Wagner; Asst. Cas., Ralph A. Wagner.

LUDELL—Ludell State Bank; capital, $10,-000; Pres., J. Blitz; Vice-Pres., B. M. Tobias; Cas., Frank Prochaska.

MAPLE HILL—Maple Hill State Bank; capital, $10,000; Pres., R. T. Updegraff; Vice-Pres. and Cas., Chas. P. Banker.

PRESCOTT—Prescott State Bank; capital, $10,000; Pres., W. H. Holmes; Vice-Pres., D. M. Miller; Cas., E. L. Rosebush.

KENTUCKY.

BLACKFORD—Blackford Bank; capital, $7,500; Pres., D. T. White; Vice-Pres., A. T. Brown; Cas., J. B. Hanna; Asst. Cas., Geo. H. Nunn.

MOSCOW—Moscow Bank; capital, $7,500; Pres., J. T. Little; Vice-Pres., W. H. Brown; Cas., F. W. Brock.

SANDERS—Sanders Deposit Bank; capital, $15,000; Pres., G. W. Deatherage; Vice-Pres., W. A. Shirley; Cas., C. R. Powell.

LOUISIANA.

RACELAND—Raceland Banking Association; capital, $30,000; Pres., Jules Godchaux; Vice-Pres., C. J. Mathews and D. Robichau; Cas., Simon Kalm.

MASSACHUSETTS.

BOSTON—Washington Trust Co.; capital, $500,000; Pres., Edward F. Bisco; Vice-Pres., Edgar Van Etten and Geo. K. Johnson; Treas., J. Adams Brown; Asst. Treas., Benjamin Dobson.

CAMBRIDGE—Harvard Trust Co. (successor to First National Bank); capital, $200,000; Pres., W. A. Bullard; Treas., W. F. Earle.

MICHIGAN.

FREMONT—Fremont State Bank; capital, $25,000; Pres., A. O. White; Vice.Pres., L. D. Puff; Cas., Emill Kempf.

MCBAIN—Bank of McBain; capital, $5,000; W. A. Wyman, Prop.; Mgr., W. J. Rachow.

WHITE PIGEON—Farmers' Savings Bank; capital, $20,000; Pres., Joseph Brown; Vice-Pres., Edward Roderick and Frank Wolf; Cas., J. Murray Benjamin.

MINNESOTA.

BINGHAM LAKE—First State Bank (successor to First Bank); capital, $10,000; Pres., E. G. Gove; Vice-Pres., Jno. G. Rupp; Cas., P. K. McMurtry.

CARLOS—First State Bank; capital, $10,000; Pres., S. A. Netland; Vice-Pres., A. O. Netland; Cas., James B. Hove.

COBDEN—State Bank; capital, $10,000; Pres., Hans Mo; Vice-Pres., O. W. Hagen; Cas., O. A. Drews.

DENT—Bank of Dent; capital, $10,000; Pres., N. J. Schafer; Vice-Pres., Thos. H. Frazer; Cas., H. S. Frazer.

FELTON—First State Bank (successor to Clay County Bank); capital, $10,000; Pres., C. J. Lofgren; Vice-Pes., C. M. Sprague; Cas., C. J. Evans.

KIESTER—Kiester Bank; Pres., N. W. Baker; Cas., H. H. Baker.

MIDDLE RIVER—State Bank; capital, $10,000; Pres., H. L. Melgaard; Vice-Pres., A. D. Stephens; Cas., T. B. Torkieson.

SEAFORTH—Security State Bank (successor to Bank of Seaforth); capital, $10,000; Pres., Geo. H. Johnson; Vice-Pres., W. A. Hauck; Cas., John Longbottom; Asst. Cas., W. J. Soderlind.

SWANVILLE—People's Bank; capital, $10,000; Pres., M. C. Tifft; Vice-Pres., J. J. Reichist; Cas., E. R. Hedin.

TRACY—Tracy State Bank; capital, $10,000; Pres., D. A. McLarty; Vice-Pres., J. R. Fitch; Cas., Lester J. Fitch; Asst. Cas., Alfred Swoffer.

UTICA—First Bank; Pres., Robert A. Johnson; Vice-Pres., S. J. Lombard; Cas., R. D. Loudon.

VESTA—State Bank (successor to Bank of Vesta); capital, $10,000; Pres., W. H. Gold; Vice-Pres., A. A. Bennett; Cas., S. F. Scott; Asst. Cas., N. W. Hingeley.

MISSISSIPPI.

ANGUILLA—Bank of Anguilla; capital, $30,000; Pres., Malcolm Cameron; Vice-Pres., H. J. Fields; Cas., W. P. Adams; Asst. Cas., G. C. Fields.

FULTON—Fulton Bank (Branch of Bank of Guntown); Vice-Pres., W. L. Gaither; Mgr., V. C. Singer.

LEXINGTON—Merchants and Farmers' Bank; capital, $100,000; Pres., Morris Lewis; Vice-Pres., F. Attneave; Cas., J. B. Cunningham; Asst. Cas., J. M. Dyer.

MONTICELLO—Bank of Monticello; capital, $15,000; Pres., W. H. Searcy; Cas., E. S. Fairman.

MYRTLE—Bank of Myrtle; capital, $10,000; Pres., W. C. Graham; Vice-Pres., F. M. Ross; Cas., K. Owen.

OAKLAND - Bank of Oakland (successor to Oakland Branch of Charleston Bank); Pres., R. K. Morders; Vice-Pres., G. H. Moore; Asst. Cas., A. P. Herron.

PINOLA—Pinola Bank; capital, $15,000; Pres., F. L. Riley; Vice-Pres., W. C. Ellis; Cas., R. A. Foote; Mgr., W. H. Hardy.

MISSOURI.

CRANE—Bank of Crane; capital, $10,000; Pres., W. H. Bradford; Vice-Pres., O. F. Douglas.

GREENCASTLE—Mutual Bank; capital, $20,000; Pres., J. S. Bailey; Vice-Pres., M. Hare; Cas., C. J. Custer; Asst. Cas., Sam B. Payne.

LUPUS — Bank of Lupus; capital, $5,000; Pres., W. L. Hays; Vice-Pres., J. M. Clay; Cas., R. M. Hudson.

MELBOURNE—Bank of Melbourne; capital, $5,000; Pres., W. H. Metcalfe; Vice-Pres., E. Syalor; Cas., C. F. Oram.

MONTICELLO—Monticello Trust Co. (successor to Monticello Savings Bank); capital, $50,000; Pres., F. L. Marchaud; Vice-Pres., T. I. Johnson; Sec., G. W. Marchaud; Asst. Sec., W. T. Wilson.

SANTA FE—Santa Fe Bank; capital, $10,000; Pres., J. D. Power; Vice-Pres., R. M. Hanna; Cas., Geo. S. McGee.

SENATH—Citizens' Bank; capital, $10,000; Pres., W. H. Douglass; Vice-Pres., W. T. Caneer, Jr.; Cas., A. A. Caneer.

MONTANA.

JOLIET—Bank of Joliet; capital, $10,000; Pres., Wm. Barclay; Vice-Pres., D. N. Barclay; Cas., C. E. Hudson.

NEBRASKA.

ABIE—Abie State Bank; capital, $5,000; Pres., F. J. Roh; Vice-Pres., Mat J. Pavel; Cas., J. L. Sooboka.

BENSON—Bank of Benson; capital, $10,000; Pres., James A. Howard; Vice-Pres., H. O. Wulff; Cas., Charles A. Tracy.

GILEAD—State Bank; capital, $6,000; Pres., G. W. Hansen; Vice-Pres., L. M. Nelson; Cas., Homer McAnulty; Asst. Cas., Frank Nelson.

COWLES - Cowles Bank; capital, $5,000; Pres., Henry Gund; Vice-Pres., C. F. Gund; Cas., E. T. Tor.

NEW YORK.

BUFFALO—Union Stock Yards Bank; capital, $150,000; Pres., Hiram Waltz; Vice-Pres., Alonzo C. Mather and Geo. C. Bingham; Vice-Pres. and Cas., Irving E. Waters.

NORTH CAROLINA.

BRYSON CITY—Swain County Bank; capital, $10,000; Pres., A. M. Fry; Cas., A. J. De Hart.

CHERRYVILLE—Cherryville Bank; capital, $2,500; Pres., S. S. Mauney; Vice-Pres., W. A. Mauney; Cas., W. L. Mauney.

JACKSONVILLE—Bank of Onslow; Pres., F. W. Hargett; Vice-Pres., R. P. Hinton; Cas., J. W. Burton.

LAURINBURG — Scotland County Savings Bank; capital, $50,000; Pres., A. L. James; Vice-Pres., Mark Morgan.

LUMBERTON—Robeson County Loan and Trust Co.; capital, $10,000; Pres., A. W. McLean; Vice-Pres., R. D. Caldwell; Cas., A. H. Ward.

MORGANTON—Bank of Morganton; capital, $15,000; Pres., John A. Dickson; Vice-Pres., J. E. Erwin; Cas., W. E. Walton.

WINDSOR—Citizens' Bank; capital, $20,000; Pres., J. B. Nicholls; Vice-Pres., R. C. Bozemne; Cas., H. D. Bateman.

NORTH DAKOTA.

FLAXTON - Citizens' State Bank; capital, $6,000; Pres., W. E. Burgett; Vice-Pres., Bertie Nelson.

OHIO.

CUSTAR—Farmers and Merchants' Bank; Cas., R. Keys Shirey.

MOSCOW—State Bank; capital, $15,200; Pres., Chas. Kayser; Vice-Pres., W. R. Fee; Cas., C. E. Gentry.

OREGON.

BEND—Central Oregon Banking and Trust Co.; capital, $25,000; Pres., W. E. Guerin, Jr.; Vice-Pres., A. L. Goodwillie.

HEPPNER—Bank of Heppner; capital, $25,000; Pres., S. E. Carr; Vice-Pres., B. F. Culp; Cas., W. S. Wharton.

NORTH BEND—Bank of Oregon; capital, $50,000; Pres., L. J. Simpson; Vice-Pres., L. F. Falkenstein; Cas., C. S. Winsor.

PENNSYLVANIA.

PHILADELPHIA - Franklin Trust Co.; Pres., A. J. Speese; Vice-Pres., Herman Dieneit; Treas., A. C. Young; Sec., C. A. Harris, Jr.

SOUTH CAROLINA.

ELLOREE—Bank of Elloree; capital, $15,000; Pres., Robert Lide; Vice-Pres., W. F. Stack; Cas., W. M. Fair.

LEESVILLE—Bank of Leesville; capital, $30,000; Pres., H. F. Hendrix; Vice-Pres., J. L. Matthews; Cas., H. A. Meetze.

SENECA—Citizens' Bank; capital, $50,000; Pres., B. L. Lowery; Cas., Geo. C. Benedict.

SOUTH DAKOTA.

CHANCELLOR—Chancellor State Bank; capital, $6,000; Pres., G. F. Hofmeister; Vice-Pres., W. E. Heeren; Cas., A. B. Jacobs.

TENNESSEE.

ADAMSVILLE—Bank of Adamsville; Pres., A. H. Dickey; Vice-Pres., Jno. T. Warren; Cas., P. L. Basinger.

COVINGTON—Tipton County Bank; capital, $50,000; Pres., J. A. Evans; Vice-Pres., Thomas Addison; Cas., John T. Garner; Asst. Cas., S. C. Shelton.——Tipton County Savings Bank and Trust Co.; capital, $15,000; Pres., L. A. Yarbrough; Vice-Pres., M. Hathcock; Cas., L. A. Smith.

HICKMAN—Bank of Hickman; capital, $15,000; Pres., W. S. Askew; Vice-Pres., W. P. Ager; Cas., Lon Gwaltney.

HORNBEAK—Bank of Hornbeak; capital, $15,000; Pres., James Rumage; Vice-Pres., John R. Williams; Cas., Richard Lilly.

TEXAS.

BIG SANDY—Continental Bank and Trust Co.; Asst. Cas., G. L. Wilson, Jr.

HENRIETTA—Merchants and Planters' Bank; capital, $50,000; Pres., E. B. Edwards; Vice-Pres., W. H. Taylor; Cas., T. H. Marberry; Asst. Cas., F. M. Power.

MALONE—Bank of Malone; Pres., O. G. Bowman; Vice-Pres., Geo. Carmichael; Cas., John Carmichael.

SUNSET—Bank of Sunset; capital, $15,000; Pres., Sam Furman.

TROY—Citizens' Exchange Bank; capital, $12,000; Pres., R. N. Ganett; Cas., C. E. Maedgen.

WHITNEY—Continental Bank and Trust Co. (Branch of Fort Worth).

WASHINGTON.

SPANGLE—Bank of Spangle; Cas., A. J. Swanson.

WEST VIRGINIA.

ELM GROVE—Elm Grove Bank; capital, $25,000; Pres., D. M. Thornburg; Vice-Pres., Chas. B. Hart; Cas., John T. Carter.

MILTON—State Bank; capital, $10,000; Pres I. J. Harshborger; Vice-Pres., J. E. Erwin Cas., C L. Harshborger.

WISCONSIN.

CAMP DOUGLAS—Bank of Camp Douglas capital, $6,000; Pres., C. H. Hoton; Vice-Pres., A. C. Johnson; Cas., Evelyn Singleton.

KEWASKUM—Citizens' State Bank; capital, $15,000; Pres., C. C. Henry; Vice-Pres., F. M. Schuler; Cas., H. E. Henry.

MERRILL—German-American State Bank; capital, $30,000; Pres., F. H. Wellcome; Vice-Pres., David H. Phinney; Cas., R. C. Ballstadt; Asst. Cas., F. W. Kubasta.

WELCOME—Citizens' State Bank; capital, $5,000; Pres., R. W. Roberts; Vice-Pres., S. H. Rondeau; Cas., F. W. Roisler.

CANADA.

ONTARIO.

MORRISBURG—Bank of Ottawa; C. B. Graham, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

ATTALLA—Bank of Attalla; C. B. Forman, Pres.; L. M. Dyke, Cas.

ARKANSAS.

DE QUEEN—Bank of De Queen; Geo. T. Scott, Vice-Pres.

DE VALL'S BLUFF—Bluff City Bank; W. J. Wilkin, Pres.

GREENWOOD—First National Bank; R. H. McConnell, Pres. in place of J. T. Wilkinson.

LITTLE ROCK—State National Bank; R. D. Duncan, Vice-Pres.

CALIFORNIA.

LOS ANGELES—Union Bank of Savings; Geo. N. Turner, Asst. Cas.

MONROVIA—Granite Bank and Trust Co.; Alfred Stedman, Vice-Pres., in place of F. N. Howes.

OCEAN PARK—Ocean Park Bank; capital increased from $25,000 to $50,000.

PALO ALTO—First National Bank; Eli King, Cas. in place of A. W. Hyde.

SALINAS—First National Bank; C. J. Whisman, Cas. in place of B. G. Tognazzi; Edw. W. Palmtag, Asst. Cas.

SAN FRANCISCO—American National Bank; Geo. N. O'Brien, Cas. in place of J. U. Calkins; no Asst. Cas. in place of Geo. N. O'Brien.

COLORADO.

BRUSH—First National Bank; C. W. Emerson, Pres. in place of C. E. Harris.

CENTRAL CITY—First National Bank; H. H. Lake, Cas. in place of F. H. Messinger; Wm. O. Jenkins, Asst. Cas. in place of H. H. Lake.

FORT COLLINS—Poudre Valley Bank; Abner Loomis, Pres., deceased.

LONGMONT—Farmers' National Bank; W. H. Dickens, Pres. in place of F. H. Stickney.

SALIDA—Salida State Bank; D. H. Staley, Pres., retired.

CONNECTICUT.

BRIDGEPORT—City Savings Bank; William N. Middlebrook, Asst. Sec., deceased.

RIDGEFIELD—First National Bank; Geo. M. Olcott, Pres. in place of Geo. E. Lounsbury; Wm. O. Seymour, Vice-Pres. in place of Geo. M. Olcott.

STAMFORD—Stamford Savings Bank; Chas. A. Hawley, Vice-Pres., deceased.

DELAWARE.

DOVER—Farmers' Bank; Henry Ridgeley, Pres., deceased.

DISTRICT OF COLUMBIA.

WASHINGTON—Traders' National Bank; H. M. Jenks, Pres. in place of G. C. Henning; G. C. Henning, Vice-Pres.

FLORIDA.

OCALA—Commerial Bank; S. H. Blitch, Mgr. in place of J. M. Barco, resigned.

GEORGIA.

WAYNESBORO-Bank of Waynesboro; W. L. McElmurray, Cas. in place of W. H. Walters.

IDAHO.

POCATELLO — First National Bank; D. W. Standrod, Pres. in place of James A. Murray; D. L. Evans, Vice-Pres. in place of D. W. Standrod.

ILLINOIS.

RIDGE FARM—First National Bank; F. E. Saunders, Cas. in place of P. H. Smith.

ROCK ISLAND—Rock Island Savings Bank; H. P. Hull, Vice-Pres. in place of John Crubaugh, deceased.

SECOR—First National Bank; C. W. Fray, Vice-Pres. in place of E. F. Dierking, deceased.

SPRINGFIELD — Farmers' National Bank; Hiram E. Gardner, Vice-Pres., deceased.

INDIANA.

CHARLESTOWN—Bank of Charlestown; James L. Cole, Pres. in place of John D. Wright, deceased.

CORYDON—First National Bank; John H. Heth, Asst. Cas.

DILLSBORO — First National Bank; Fred Lubbe, Cas. in place of W. C. Wulber.

WEST BADEN—West Baden National Bank; Lee L. Persise, Asst. Cas. in place of Eugene Heim.

INDIAN TERRITORY.

BERWYN — First National Bank; C. W. Henderson, Pres. in place of G. W. Young; H. S. Suggs, Vice-Pres. in place of C. W. Henderson.

COMANCHE — First National Bank; E. H. Andruss, Cas. in place of Milton M. Bowman.

FORT GIBSON—First National Bank; R. E. Butler, Pres. in place of Connell Rogers; Joe Mayer, Vice-Pres., in place of R. E. Butler.

MUSKOGEE-Commercial National Bank; C. W. Barnes, Pres. in place of B. H. Middleton.

POTEAU—National Bank of Poteau; W. A. Campbell. Cas. in place of W. A. Steele.

IOWA.

ARMSTRONG—State Bank; T. S. Hays, Cas., deceased.

BUFFALO CENTER—First National Bank; J. J. Guyer, Cas. in place of R. C. Ballstadt; J. P. Boyd. Asst. Cas.

ESSEX — Commercial National Bank; A.

Wenstraud, Vice-Pres. in place of Oliver Bussard; E. G. Day, Cas. in place of J. F. Ekeroth.

PRIMGHAR—Farmers' National Bank; G. R. Whitmer, Pres., resigned.

TIPTON—Tipton Savings Bank; H. L. Dean, Pres., deceased.

KANSAS.

GARDEN CITY—First National Bank; G. T. Inge, Vice-Pres. in place of G. M. Smith; D. F. Mims, Asst. Cas.

KENTUCKY.

CRITTENDEN — Tobacco Growers' Deposit Bank; John T. McClure, Cas., deceased.

EDDYVILLE—Farmers' Bank; S. W. Leonard, Pres., deceased.

FLEMINGSBURG — Deposit Bank of Pearce, Fant & Co.; William S. Fant, Pres., deceased.

LOUISVILLE—Third National Bank; June W. Gayle, Vice-Pres. in place of J. E. Bohannon; Charles H. Wulkup, Asst. Cas., resigned.

LOUISIANA.

COLFAX-Bank of Colfax; J. C. McKnight, Asst. Cas.

MANSFIELD—First National Bank; D. W. Saunders, Pres. in place of Boling Williams.

NEW ORLEANS—Canal Bank and Trust Co.; Charles Janvier, Pres. in place of Edward Toby, deceased.

MARYLAND.

SMITHSBURG—Smithsburg Bank; Samuel M. Birely, Vice-Pres., deceased.

THURMONT — Thurmont National Bank; Samuel M. Birely, Pres., deceased.

UPPER MARLBOROUGH — First National Bank of Southern Maryland; A. T. Robinson, Pres. in place of Joseph S. Wilson, deceased.

MASSACHUSETTS.

BOSTON—Old Colony Trust Co.; Charles S. Tuckerman, Sec.-Treas., deceased.—American National Bank; H. J. Patterson, Pres. in place of C. H. Collins.

CHICOPEE—First National Bank; T. C. Page, Pres. in place of J. A. Carter, deceased; James L. Pease, Vice-Pres., in place of T. C. Page.

GREENFIELD — Greenfield Savings Bank; W. F. Aiken, Treas. in place of William G. Packard.

NORTH ATTLEBORO—North Attleboro National Bank; Harry F. Barrows, Pres. in place of Henry F. Barrows, deceased; no Vice-Pres. in place of H. F. Barrows, Jr.

PITTSFIELD—Third National Bank; Henry W. Taft, Pres., deceased.

SPRINGFIELD — Springfield Institution for Savings; John A. Hall, Pres. in place of Julius H. Appleton, deceased.

MICHIGAN.

CALUMET—First National Bank; John D. Cuddihy, Pres. in place of John S. Dymock; Joseph Herman, Vice-Pres. in place of John D. Cuddihy.

DETROIT—First National Bank: Emory W. Clark, 2d Vice-Pres.; no 2d Asst. Cas. in place of A. W. Clark.

FLINT—First National Bank; B. J. MacDonald, Asst. Cas.

HOUGHTON—Citizens' National Bank; C. V. Seeber, Vice-Pres. in place of C. H. Hall.

MINNESOTA.

BRECKENRIDGE—Breckenridge National Bank: John Scoenborn, Pres. in place of John Grove; John H. Ehlert, Vice-Pres. in place of Arthur McConville; Henry Bodson, 2d Asst. Cas.

CHOKIO—First National Bank: Stephen Burt, Vice-Pres. in place of Henry C. Teare.

CLINTON—Clinton State Bank; N. W. Benson, Pres., deceased.

MCINTOSH—First National Bank: William F. Rieckhoff, Pres. in place of Wells S. Short; Carl M. Berg, Asst. Cas.

MINNEAPOLIS—Clarke National Bank; A. D. Clarke, Pres., resigned.

PARK RAPIDS—First National Bank: L. E. Davis, Vice-Pres. in place of J. S. Hedditch, deceased.

PERHAM—First National Bank: C. H. Woodward, Cas. in place of L. E. Bopp; R. G. Claydon, Asst. Cas. in place of C. B. Bopp.

MISSOURI.

COLUMBIA—Boone County National Bank; R. B. Price, Jr., Asst. Cas.

NEOSHO—First National Bank: J. H. Hughes, Pres. in place of C. M. Shartel; J. W. West, Vice-Pres. in place of J. H. Hughes.

NEVADA—First National Bank: Wooddy Swearingen, Asst. Cas., in place of M. T. Lacaff.

SAVANNAH—First National Bank; J. C. Kirtley, Cas. in place of True D. Parr; no Asst. Cas. in place of J. C. Kirtley.

VERSAILLES—First National Bank; W. W. Moore, Pres. in place of Joel D. Hubbard; W. T. Petty, Cas. in place of W. W. Moore; no Asst. Cas. in place of W. T. Petty.

MONTANA.

BILLINGS—Yellowstone National Bank; E. H. Hollister, Cas. in place of F. B. Connelly; L. C. Babcock, Asst. Cas. in place of E. H. Hollister.

MILES CITY—First National Bank: no 2d Asst. Cas. in place of W. B. Jordan, Jr.

PLAINS—First National Bank; Wm. L. Hull, Asst. Cas.

PONY—Morris State Bank; W. W. Morris, Pres., deceased.

NEBRASKA.

ASHLAND—Farmers and Merchants' Bank; E. A. Wiggenhorn, Pres., deceased.

BRAINARD—Bank of Brainard; capital increased to $20,000.

CARROLL—First National Bank; E. R. Gurney, Pres. in place of M. S. Merrill; Arthur L. Tucker, Cas. in place of Geo. C. Merrill.

HOLDREGE—United States National Bank; title changed to City National Bank.

HOOPER—First National Bank: A. M. Tillman, Pres. in place of H. B. Treat; J. Howard Heine, Asst. Cas.

NEW JERSEY.

CAMDEN—First National Bank: David Baird, Pres. in place of John F. Starr, deceased.

DOVER—National Union Bank; Chas. Applegate, Cas.

GLASSBORO—First National Bank; P. K. DuBois, Cas. in place of Chas. Applegate.

NEW MEXICO.

PORTALES—First National Bank: C. O. Leach, Pres. in place of L. T. Lester; W. E. Lindsey, Vice-Pres.

NEW YORK.

BROOKLYN—Dime Savings Bank: B. F. Huntington, Pres., resigned, to take effect January 1.

JAMESTOWN—Bank of Jamestown; Fred A. Bentley, Pres., deceased.

NEW YORK—National Park Bank: George Starr Hickok, Cas., deceased.——Washington Trust Co.; Charles Finney Clark, First Vice-Pres., deceased.——Yorkville Bank; Emil Unger, First Vice-Pres., deceased.

SARATOGA SPRINGS—First National Bank; in hands of Receiver June 27; authorized by Comptroller to resume business August 18; W. P. Butler, Pres. in place of Wm. B. Gage; W. W. Blackmer, Vice-Pres. in place of Henry B. Hanson; Wharton Meehan, Cas., in place of Wm. Hay Bockes.

SKANEATELES—Skaneateles National Bank; Joseph C. Willets, Vice-Pres., deceased.

NORTH CAROLINA.

CHARLOTTE—Commercial National Bank; J. S. Spencer, Pres., deceased.

FAYETTEVILLE—National Bank of Fayetteville: W. A. Vanstory, Pres. in place of W. M. Morgan; John Elliott, 2d Vice-Pres.

OHIO.

BUCYRUS—First National Bank; J. B. Gormley, Jr., Cas., deceased.

CHILLICOTHE—Central National Bank; Thos. G. McKell, Pres., deceased.

CLEVELAND—Equity Savings and Loan Co.; N. S. Poseons, Pres., deceased.——Guardian Trust Co.; capital increased to $1,000,000.

COLUMBUS—Merchants and Manufacturers' National Bank; W. S. Courtright, Pres. in place of W. D. Park; Fred W. Hubbard, Vice-Pres. in place of W. S. Courtright.

MARION—Marion National Bank: no Pres. in place of E. Huber, deceased.

MARYSVILLE—Farmers' Bank and Union Bank: consolidated under latter title.

MILFORD—Milford National Bank: John M. Pattison, Pres. in place of J. B. Iuen, deceased.

NEW LEXINGTON—Citizens' National Bank; C. B. Enlow, Cas. in place of H. E. Conkright.

NILES—First National Bank; C. P. Wilson,

Vice-Pres. in place of John H. Park, deceased.
RIPLEY—Ripley National Bank: M. L. Kirkpatrick, Pres. in place of W. A. Blair: W. A. Blair, Vice-Pres. in place of G. Bambach; Leon S. Wiles, Cas. in place of G. G. Bambach.
SHELBY—First National Bank: B. J. Williams, Pres. in place of John Dempsey; J. W. Williams, Cas. in place of B. J. Williams.
SOMERSET—Somerset Bank; O. B. Ream, Cas., deceased.

OKLAHOMA.

WATONGA—Blaine County Bank: S. T. Goltry, Pres.; W. B. Piper, Cas.; W. F. Britton, Asst. Cas.

OREGON.

MCMINNVILLE—First National Bank: Jno. Wortman, Pres. in place of Jacob Wortman, deceased; Arthur McPhillips, Cas. in place of John Wortman.
SUMPTER—First National Bank: Guy L. Lindsay, Cas. in place of R. H. Miller.

PENNSYLVANIA.

ADDISON—First National Bank: no Vice-Pres. in place of A. S. Jefferys, deceased.
ALLEGHENY—German National Bank: Geo. G. Schmidt, Cas. in place of Albert Helm; Henry J. C. Breker, Asst. Cas., in place of Geo. G. Schmidt.
BETHLEHEM—First National Bank; Joseph M. Leibert, Pres., deceased.
BRADDOCK—State Bank; Robert M. Holland, Pres., deceased.
CASTLE SHANNON—Castle Shannon Savings and Trust Co.; Irving P. Sanford, Treas., deceased.
CURWENSVILLE—Curwensville Bank; Alexander E. Patton, Pres., deceased.
EASTON—Northampton National Bank; Thomas Rinek, Pres., deceased.
HUNTINGDON—First National Bank: no Pres., in place of William Dorris, deceased.
KITTANNING—Merchants' National Bank: G. W. McNees, Pres. in place of J. Frank Graff.
PHILADELPHIA—National Security Bank; Jacob Rech, Pres., deceased.
PITTSBURG—N. Holmes & Sons; John G. Holmes, deceased.
SIEGFRIED—Cement National Bank: Oliver Williams, Pres., deceased.
SMITHFIELD—First National Bank: Daniel P. Morgan, Cas. in place of W. O. Foley.
SUNBURY—Sunbury Trust and Safe Deposit Co.: Charles W. Nickerson, Pres., deceased.
SUSQUEHANNA—City National Bank: S. S. Doolitte, Vice-Pres. deceased.
WASHINGTON—First National Bank: S. M. Templeton, Pres.; John W. Seaman, Vice-Pres. in place of S. M. Templeton; Robert L. McCarrell, 2d Asst. Cas.

SOUTH DAKOTA.

CUSTER—First National Bank; Jane E. Towner, Vice-Pres. in place of F. A. Towner, deceased.

TENNESSEE.

NASHVILLE—City Savings Bank; Arch. Wilson Watkins, Cas., deceased.—Merchants' National Bank; E. A. Lindsey, Pres. in place of James McLaughlin; W. D. Suttle, Cas. in place of E. A. Lindsey; G. F. Stansbury, Asst. Cas.

TEXAS.

GAINESVILLE—Lindsay National Bank; no 2d Vice-Pres. in place of H. R. Eldridge; H. R. Eldridge, Cas. in place of L. B. Lindsay; Roy T. Potter, 2d Asst. Cas.
GRAHAM—Beckham National Bank; J. W. Gallaher, Vice-Pres. in place of R. F. Arnold; Wm. D. Craig, Cas. in place of J. M. Norman; J. M. Norman, Asst. Cas.
HOUSTON—Merchants' National Bank; T. C. Dunn, Cas. in place of G. M. Harcourt.
LAMPASAS—First National Bank; J. F. White, Vice-Pres. in place of H. N. Key; John M. Cage, Cas. in place of J. F. White, no Asst. Cas. in place of W. B. McGee.
LONGVIEW—Citizens' National Bank; C. M. Kerr, Asst. Cas.
MCGREGOR—First National Bank; Geo. H. Canfield, Asst. Cas. in place of F. W. Mabry.
ORANGE—Orange National Bank; H. B. Jackson, Cas. in place of James P. Roach.

UTAH.

LEHI CITY—Lehi Commercial and Savings Bank: Thomas Webb, Pres.

VERMONT.

VERGENNES—National Bank of Vergennes; O. H. Sherman, Vice-Pres. in place of F. A. Goss, deceased.

VIRGINIA.

FARMVILLE—First National Bank; Jno. W. Long, Cas. in place of A. G. Clapham; J. L. Bugg, Asst. Cas.

WASHINGTON.

PULLMAN—First National Bank; S. A. Turner, Asst. Cas.

WISCONSIN.

PLYMOUTH—Plymouth Exchange Bank; Wm. C. Saemann, Pres., deceased.

CANADA.

NOVA SCOTIA.

PICTOU—Bank of Nova Scotia; John Mowatt, Mgr. in place of A. D. Munro.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

MASSACHUSETTS

CAMBRIDGE—First National Bank; in voluntary liquidation August 6; succeeded by Harvard Trust Co.
LYNN—First National Bank; in voluntary liquidation August 30; absorbed by Essex Trust Co.

MISSOURI.

LEBANON—Citizens' Bank.

OHIO.

SIDNEY—German-American Bank.

OKLAHOMA.

KINGFISHER—Kingfisher National Bank; in voluntary liquidation September 24; consolidated with First National Bank.
VIOLET—Citizens' State Bank.

RHODE ISLAND.

WARREN—National Hope Bank; in voluntary liquidation August 24; absorbed by Industrial Trust Co., Providence.—First National Bank; in voluntary liquidation August 24; absorbed by Industrial Trust Co., Providence.—National Warren Bank; in voluntary liquidation August 24; absorbed by Industrial Trust Co., Providence.

TEXAS.

JACKSONVILLE—Citizens' National Bank; in voluntary liquidation September 16; consolidated with First National Bank.

VERMONT.

SWANTON—People's National Bank; in hands of Receiver August 18.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, October 3, 1904.

A CONTINUANCE OF THE UPWARD MOVEMENT IN PRICES OF SECURITIES which began in August made September a remarkable month. There are various opinions prevailing as to the causes which have brought about the rise in values in the last two months, as also many conflicting predictions as to the future, but there is no disputing the fact that prices of nearly all securities have advanced or that many have crossed the highest previous quotations of the year. A large majority of stocks recorded the highest prices for the year in September and this is true largely of bonds. In 1903 the highest quotations were generally made in January and the lowest between August 1 and October 31.

Not only has there been a strong stock market, but the transactions have been large in volume. Nearly 19,000,000 shares of stocks were dealt in during the month, and in no corresponding month in any previous year has this record been equalled excepting September 1902 when the total sales reached nearly 21,000,000 shares. The sales of bonds aggregated $114,000,000, and this exceeds by nearly $20,000,000 the highest previous record for September which was made in 1902.

The past month has been in striking contrast with the corresponding month of the previous two years. In 1902 particularly, it will be remembered that the situation was exceptionally unfavorable. There was a stringent money market during the entire month, and the Secretary of the Treasury was employing various devices to relieve the distress by stimulating an increase in National bank circulation and increasing public deposits in the banks.

A year ago the money market was in an easier condition, but the security market was depressed and prices declined as they had in the previous year. In both 1902 and 1903 there was a severe decline in the stock market in September. In those years as also in the present year the great bulk of the transactions has been in a comparatively few securities. While there has been a general movement in prices shared

	1902 shares.	*Decline per cent.*	*1903 shares.*	*Decline per cent.*	*1904 shares.*	*Advance per cent.*
Atchison	$1,030,300	11⅝	$1,368,300	8	$849,300	4
Baltimore and Ohio	893,400	15⅛	....	....	....	....
St. Paul	960,600	14⅞	557,000	8⅛	444,500	6⅛
Erie	456,500	6⅛	423,500	6⅞	902,500	4¼
Manhattan	654,800	7¼	....	....	....	....
Missouri Pacific	1,718,400	14⅝	....	....	....	....
Pennsylvania	829,800	11	670,500	10⅛	1,554,200	7½
Reading	1,609,200	14⅛	7[illegible]1,600	12⅜	1,599,900	8½
Rock Island	....	....	495,500	8¼	641,000	4½
Southern Pacific	1,004,300	9¾	....	....	793,000	4¾
Southern	551,200	5⅛	....	....	819,700	6½
Union Pacific	1,133,900	9¾	886,400	9¼	1,244,200	6¼
Amalgamated Copper	391,000	7⅝	709,600	12⅝	602,200	3¼
United States Steel	609,400	3⅞	888,400	8½	1,002,800	5¾
" " " preferred	232,000	4½	498,100	13	2,152,600	12¼
Indicated stocks	$12,074,800	....	$7,218,900	....	$12,405,900	....
All others	8,925,200	....	3,851,100	....	6,394,100	....
Total	$21,000,000	....	$10,800,000	....	$18,800,000	....

in by practically the entire list, about two-thirds of all the sales of stocks were of a dozen stocks and more than seventy-five per cent. of the total sales of railroad and industrial bonds consisted of fourteen issues in which the month's sales were in excess of $1,000,000 each. The sales and course of prices of the most active stocks in September of each of the past three years are shown in the preceding table.

The leaders in activity in the stock market last month were the United States Steel stocks, Pennsylvania, Reading and Union Pacific. A year ago Atchison was the most active stock but with most of the present leaders following in its wake. In 1902 the most active stocks were Missouri Pacific, Reading, Union Pacific, Atchison and Southern Pacific. A shorter list will serve to indicate the leaders in the bond list. They were:

1902.		*1903.*		*1904.*	
Union Pac. con. 4's.	$23,783,000	U. S. steel 2d 5's....	$15,553,000	Consol tobacco 4's.	$27,036,000
Wabash deb. B.....	21,129,000	Consol tobacco 4's.	4,023,000	U. S. steel 2d 5's....	16,223,000
Consol tobacco 4's.	14,241,000	Union Pac. con. 4's.	2,488,000	Union Pac. con. 4's.	11,141,000
Penn. con. 3½'s....	5,047,000	Wabash deb. B.....	2,420,000	Rock Island 4's....	5,509,000
Gt. Nor. C. B. Q. 4's.	2,906,000	Rock Island 4's....	1,068,000	Wabash deb. B.....	5,308,000
Five bonds.......	$67,106,000	Five bonds.......	$25,552,000	Five bonds.......	$65,217,000

In September, 1902, five bonds contributed $67,000,000 out of total transactions of $94,000,000; in 1903 $25,000,000 out of $45,000,000, and in 1904 $65,000,000 out of $114,000,000. The same bonds which a year ago were the most active were again the leaders this year although not in exactly the same order. Prices of securities generally are higher than they were a year ago but are still considerably below those of September, 1902.

While at no time had there been any serious apprehension of a tight money market during the last month, the very rapid drawing down of the reserves of the banks has attracted attention. On August 27 the banks had a surplus reserve of more than $57,000,000 which was much in excess of what may be considered a normal surplus. Three weeks after that date nearly one-half of the surplus had disappeared, and at the close of the month it was less than $20,000,000. Between August 27 and October 1, a period of five weeks, the clearing-house banks of this city have lost in specie and legal tenders $36,000,000. And in spite of this decrease the total reserves are nearly $100,000,000 more than they were at this time last year and fully that amount in excess of the reserves held two years ago. In the following table will be shown the total cash reserves at the end of each of the last four months of each year since 1894.

Year.	*Sept. 30.*	*Oct. 31.*	*Nov. 30.*	*Dec. 31.*
1894	$207,450,200	$211,980,500	$197,179,700	$172,591,700
1895	159,580,300	150,060,000	148,810,300	141,212,000
1896	130,209,300	129,074,700	154,070,200	165,983,200
1897	170,388,700	180,606,600	187,528,300	184,554,800
1898	190,859,200	216,485,100	214,479,400	224,940,400
1899	198,065,500	183,447,400	195,556,200	196,179,800
1900	234,119,300	216,394,200	226,968,400	225,073,200
1901	250,406,100	249,998,400	248,581,700	235,608,800
1902	222,366,400	244,786,900	236,745,500	228,472,600
1903	238,241,100	231,678,300	216,513,200	240,086,600
1904	323,112,700	....	....	....

The only years in which there was any appreciable decrease in the reserves in October was in 1895, 1899, 1900 and 1903, in November in 1894, 1902 and 1903 and in December in 1894, 1895, 1901 and 1902. While every year there is a demand for currency to move the crops still the banks have not as a rule suffered a serious loss of reserves after September 30. In this connection a survey of the call money market for the same periods may furnish a useful suggestion. The following table shows the rates for call money at the New York Stock Exchange during the months named:

Year.	September.	October.	November.	December.
1894	1 —	¼— 1	½— 3	1 — 2
1895	1 — 3	1 — 3	1½— 2½	1 —100
1896	3 —12	3 —127	1 —96	1 — 3
1897	1 — 4½	1½— 3½	1½— 2½	1½— 5½
1898	1¾— 6	1¼— 4	1½— 4	2 — 6
1899	2 —20	2 —40	3 —35	2 —186
1900	1 — 2	1¾—20	1 —25	3 — 6½
1901	1½—10	2½— 5	3 — 5	2½—15
1902	3½—35	2½—18	2 — 7	3 —15
1903	1½— 4	1½— 5	2 — 9	3 — 9
1904	⅞— 2½	....	....	....

There have been flurries in the money market late in the year but not invariably. There was none in 1894, in 1897, nor in 1898, while last year the highest rate was nine per cent. and that only for a short time. That money rates will rule higher than they have recently seems to be beyond question, but it may be doubted if there will be anything like stringency.

There has been more or less speculation regarding the crop yield this year. The Government report issued on September 6 indicated a reduction in the quantity of spring wheat of 67,000,000 bushels as compared with the August estimate. This would leave the total yield of wheat this year about 539,000,000 bushels, or nearly 100,000,000 bushels less than the crop of 1903. This is the smallest crop since 1897 excepting that of 1900, but is 112,000,000 bushels more than the crop of 1896. Prediction that it would be necessary to import wheat to supply home consumption seem to be ridiculous in the light of such facts as are available concerning the rate of consumption in this country.

Not only was the wheat crop officially declared smaller, but the yield of corn appears to have suffered a loss of 73,000,000 comparing the September report with the August report. Based on the Government report of condition on September 1 the yield of corn was estimated at 2,491,000,000 bushels. There has been some unfavorable weather since September 1, but hardly sufficient to justify the very pessimistic rumors that have been put afloat, some of them estimating the yield at less than 2,000,000 bushels. The general view is that the crop will about equal that of 1903.

The rumors regarding the small yield of the grain crops have extended to a heavy reduction in our export trade; in fact it has been predicted that practically no wheat at all will be exported from the United States during the current fiscal year, and little if any corn. While it may well be doubted that these predictions will be realized, it is nevertheless true that there has been a very great reduction in our grain exports. In August only 216,469 bushels of wheat were exported as compared with 6,444,439 bushels in August last year. The exports of wheat flour were only about sixty per cent. of those of a year ago. A comparison of wheat and corn

Eight months ending August 31.	Wheat.		Wheat Flour.		Corn.	
	Bushels.	Value.	Barrels.	Value.	Bushels.	Value.
1895	43,041,000	$26,175,205	9,141,596	$31,240,159	30,297,836	$15,700,545
1896	41,125,966	27,456,347	10,034,114	35,128,814	77,113,783	27,063,044
1897	42,544,146	36,459,563	8,115,951	33,429,657	131,655,383	39,975,732
1898	81,373,323	81,527,831	9,700,808	44,589,268	147,430,920	54,575,888
1899	71,510,843	53,852,822	12,546,835	47,506,700	180,834,736	53,022,890
1900	58,856,100	41,860,206	12,256,097	44,587,601	124,801,529	53,927,328
1901	123,290,843	90,789,003	12,795,453	47,474,579	91,887,406	43,369,503
1902	78,428,263	58,992,529	10,983,242	40,799,175	6,647,305	4,563,752
1903	48,733,940	39,348,137	11,865,322	44,889,833	70,283,158	37,716,771
1904	9,540,289	7,722,256	8,207,245	34,642,165	31,146,209	16,694,351

exports for the eight months, January 1 to August 31 each year since 1895, shows to what a low ebb this portion of our foreign trade has fallen.

Since the beginning of the present calendar year we have exported less than $7,800,000 of wheat as compared with $39,000,000 for the same time in 1903 and $90,000,000 in 1901. Wheat flour exports are the smallest in value since 1897 and corn exports the smallest since 1895, excepting only in 1902. Manufactures, however, have come to play so important a part in our export trade, that the falling off in grain exports has not seriously affected the total exports which in August were $3,000,000 greater than in 1903, while breadstuffs showed a loss of $8,000,000.

The industrial situation has improved during the month just closed. The increase in the output of pig iron is indicative of this fact to some extent. The weekly capacity of furnaces in blast on September 1 had increased to 292,118 tons from 246,092 tons on August 1. This increase it is expected will continue until November 1.

The dividends declared by industrial corporations payable in October are estimated at $24,300,000 which shows an increase of nearly $3,000,000 over a year ago and of $5,500,000 compared with two years ago. The capitalization of corporations chartered in Eastern States during September is estimated at $66,000,000 as compared with about $33,000,000 in August and $79,000,000 in September last year. This is a most notable change when the records of previous months of the present year are considered.

THE MONEY MARKET.—Rates of money in the local market have been advancing during the month as the demand upon the banks for currency to be sent to interior points increased. At the close of the month there was a further advance in anticipation of the usual disbursements for dividends and interest early in October. At the close of the month call money ruled at 1¾ @ 2½ per cent., averaging about 2 per cent. Banks and trust companies loaned at 1¾ per cent. as the minimum rate. Time money on Stock Exchange collateral is quoted at 3 per cent. for 60 days, 3¼ per cent. for 90 days, and 3½ @ 3¾ per cent. for 4 to 6 months, on good mixed collateral. For commercial paper the rates are 4½ per cent. for 60 to 90 days' endorsed bills receivable, 4½ @ 5 per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	May 1.	*June 1.*	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances........	1 –1¼	1¼–1½	1⅛–1¼	¾–1	⅞–1	1¾–2½
Call loans, banks and trust companies..............................	1 –1¼	1½–	1¼–	1 –	1 –	1¾–2½
Brokers' loans on collateral, 30 to 60 days..................................	2¼–	2¼–	2 –	2 –	2 –	3 –
Brokers' loans on collateral, 90 days to 4 months........................	2½– ¾	2¼–3	2¼– ¾	2½–3	2½–3	3¼– ½
Brokers' loans on collateral, 5 to 7 months..........................	3 – ½	3½–4	3 – ½	3 – ¾	3½–	3½– ¾
Commercial paper, endorsed bills receivable, 60 to 90 days...........	3¾–	3¾–4¼	3½–	3½– ¾	3½– ¾	4½–
Commercial paper prime single names, 4 to 6 months..............	3¾–4¼	4 –4½	3¾–4	3¾–4¼	3¾–4	4½–5
Commercial paper, good single names, 4 to 6 months..............	4½ –5	4½–5	4½–5	4½–5	4½–5	5½–6

NEW YORK CITY BANKS.—The deposits and loans of the New York Clearing-House banks have again made new records, the deposits reaching the largest aggregate on September 17 and loans on October 1. Since August 27 loans have increased $44,000,0000. Deposits increased $17,000,000 but in the last two weeks were reduced $11,000,000 so the net increase for the month is $6,000,000. The banks lost $33,000,000 specie and about $3,000,000 legal tenders while the surplus reserve was

reduced from $57,000,000 to less than $20,000,000. Compared with a year ago deposits show an increase of $315,000,000, loans of $230,000,000, reserves of $85,000,000 and surplus reserve of $6,000,000.

New York City Banks—Condition at Close of each Week.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Sept. 3...	$1,117,242,600	$271,264,900	$80,509,500	$1,217,084,000	$47,508,400	$38,980,700	$1,179,331,600
" 10...	1,130,486,200	265,362,600	78,503,000	1,221,709,400	38,438,250	40,065,800	1,002,388,300
" 17...	1,140,958,800	257,022,200	78,382,600	1,224,206,600	29,853,150	40,107,300	1,410,637,900
" 24...	1,138,504,800	251,967,500	77,804,300	1,214,083,100	26,251,025	40,719,200	1,199,072,900
Oct. 1...	1,143,033,900	244,367,100	78,745,600	1,212,977,100	19,913,425	40,576,000	1,353,708,100

Deposits and Surplus Reserve on or about the First of each Month

Month.	1902.		1903.		1904.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$910,860,800	$7,515,575	$873,115,000	$10,193,850	$866,178,900	$9,541,850
February......	975,937,000	26,623,350	931,778,900	27,880,775	1,023,943,800	25,129,050
March.........	1,017,488,800	9,975,925	956,206,400	5,951,900	1,027,920,400	32,150,200
April..........	965,353,300	6,965,575	894,260,000	6,280,900	1,069,369,400	27,755,050
May...........	968,189,600	7,484,000	905,760,200	11,181,850	1,114,367,800	33,144,250
June..........	948,326,400	11,929,000	918,081,800	9,645,150	1,098,953,500	29,692,325
July	955,829,400	12,978,350	903,719,800	12,923,850	1,152,988,800	36,105,300
August........	957,145,500	13,738,125	908,864,500	24,060,075	1,204,965,600	55,969,600
September....	935,998,500	9,742,775	920,123,900	20,677,925	1,207,302,800	57,375,400
October.......	876,519,100	3,236,625	897,214,400	13,987,500	1,212,977,100	19,913,425
November....	896,791,200	21,339,100	885,618,600	10,274,150	....	....
December.....	883,836,800	15,786,300	841,552,000	6,125,200	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,143,-033,900 on October 1, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
Sept. 3....	$95,331,300	$109,293,700	$4,251,300	$5,477,200	$14,050,000	$7,218,600	$3,673,675
" 10....	96,398,900	111,456,700	4,296,800	5,790,500	15,437,700	6,758,100	4,418,925
" 17....	96,527,700	112,112,300	4,444,400	5,756,600	15,328,600	6,992,000	4,498,525
" 24....	96,556,800	110,639,500	4,324,000	5,689,300	13,748,400	7,395,900	3,492,725
Oct. 1....	96,919,000	111,221,000	4,306,000	5,749,200	14,194,000	7,660,100	4,104,050

Boston Banks.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Sept. 3.......	$176,768,000	$216,052,000	$15,286,000	$6,132,000	$7,362,000	$104,589,800
" 10.......	175,511,000	216,296,000	15,679,000	5,666,000	7,402,000	97,098,300
" 17.......	175,522,000	218,606,000	16,584,000	5,884,000	7,419,000	118,968,200
" 24.......	175,167,000	218,178,000	16,226,000	5,885,000	7,414,000	111,363,400
Oct. 1.......	175,998,000	218,019,000	15,823,000	5,590,000	7,386,000	....

Philadelphia Banks.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Sept. 3..................	$199,976,000	$252,928,000	$77,830,000	$11,392,000	$107,879,000
" 10..................	202,618,000	254,409,000	76,473,000	11,374,000	90,962,500
" 17..................	203,426,000	257,056,000	75,397,000	11,354,000	113,860,300
" 24..................	204,054,000	254,053,000	73,828,000	11,323,000	108,356,500
Oct. 1..................	205,510,000	257,024,000	73,745,000	11,311,000	106,708,600

FOREIGN EXCHANGE.—There was a sharp and continued decline in sterling exchange in September, and the movement of cotton is now exerting its usual influence upon the market. Commercial drafts against cotton shipments are in good supply and will materially increase.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING.		Cable transfers.	Prime commercial, Long.	Documentary Sterling. 60 days.
	60 days.	Sight.			
Sept. 3...........	4.8470 @ 4.8480	4.8730 @ 4.8740	4.8775 @ 4.8785	4.84⅛ @ 4.84⅝	4.83¾ @ 4.85⅛
" 10...........	4.8455 @ 4.8465	4.8705 @ 4.8710	4.8755 @ 4.8765	4.84⅜ @ 4.84½	4.83½ @ 4.84⅞
" 17...........	4.8435 @ 4.8445	4.8665 @ 4.8675	4.8715 @ 4.8725	4.84⅛ @ 4.84¼	4.83⅜ @ 4.84⅛
" 24...........	4.8355 @ 4.8365	4.8585 @ 4.8590	4.8625 @ 4.8630	4.83¼ @ 4.83⅜	4.82½ @ 4.83⅝
Oct. 1...........	4.8340 @ 4.8350	4.8550 @ 4.8555	4.8595 @ 4.8605	4.83⅛ @ 4.83¼	4.82⅜ @ 4.83¼

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 1.
Sterling Bankers—60 days	4.85⅜— ½	4.85¼— ⅜	4.85 — ⅛	4.84¾- 85	4.83⅜— ½
" " Sight	4.87¼— ⅜	4.87⅛—	4.87¾—	4.87⅛— ⅝	4.85½—
" " Cables	4.87½— ⅝	4.87½—	4.88⅛— ¼	4.88 — ⅛	4.85⅞—86
" Commercial long	4.85 — ¼	4.85 — ⅛	4.84¾— ⅞	4.84¼— ¾	4.83⅛— ¼
" Docu'tary for paym't.	4.84¼—85⅛	4.84¼— ⅞	4.84⅛— 5⅜	4.84 — 5⅛	4.82⅜— 3¼
Paris—Cable transfers	5.15 1/16— 1/32	5.16⅞—	5.16⅞— ¼	5.16⅞—	5.17½—
" Bankers' 60 days.........	5.17½—16⅞	5.18⅛—17½	5.18¾— ⅛	5.18¾—	5.20 —19⅜
" Bankers' sight...........	5.15⅝—	5.16⅞—	5.17½—16⅞	5.17½—	5.18⅛—
Swiss—Bankers' sight...........	5.16¼—	5.16⅞—	5.16⅞—	5.17½—16⅞	5.18⅛—
Berlin—Bankers' 60 days........	95 1/16— ⅛	95 1/16— ⅛	95 1/16	94⅞— 15/16	94⅝— ¾
" Bankers' sight..........	95½— 9/16	95½—	95⅜ —	95 5/16— ⅜	95 3/16— ¼
Belgium—Bankers' sight.........	5.16¼—	5.16⅞—	5.16⅞—	5.17½—16⅞	5.18⅜— ⅛
Amsterdam—Bankers' sight....	40 5/16—	40 5/16— ⅜	40 5/16— ⅜	40¼— 5/16	40 3/16— ¼
Kronors—Bankers' sight	26.86—26.88	26.86—26.88	26.84—26.86	26.84—26.86	26.77 —26.79
Italian lire—sight...	5.16⅞ - ¼	5.16¼—	5.16⅞—	5.17½—16⅞	5.18⅛—17½

FOREIGN BANKS.—The changes in the gold holdings of the principal European banks last month about balanced each other. The Bank of England gained $12,000,-000; the Bank of France lost $9,000,000; the Bank of Germany lost $10,000,000 and the Bank of Russia gained $11,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	Aug. 1, 1904.		Sept. 1, 1904.		October 1, 1904.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England...........	£34,668,605	....	£36,519,641	....	£38,821,363	....
France............	108,774,908	£45,085,663	107,571,843	£44,875,561	105,752,783	£44,384,170
Germany...........	35,470,000	12,463,000	35,898,000	12,618,000	33,913,000	11,915,000
Russia............	92,220,000	8,390,000	93,621,000	8,625,000	95,825,000	8,112,000
Austria-Hungary..	48,286,000	12,759,000	48,265,000	12,543,000	48,757,000	12,815,000
Spain.............	14,326,000	20,416,000	14,758,000	20,397,000	14,794,000	20,463,000
Italy.............	23,352,000	3,989,600	22,118,000	3,957,700	21,998,000	3,330,800
Netherlands.......	5,475,200	6,506,600	5,480,400	6,415,800	5,480,300	6,250,100
Nat. Belgium......	3,050,667	1,525,333	3,108,667	1,554,333	3,273,333	1,636,667
Totals..........	£364,623,380	£111,135,196	£367,340,551	£110,981,394	£368,714,779	£108,406,237

MONEY RATES ABROAD.—Rates for money in London have declined while in Paris and Berlin they have advanced. The Bank of England maintains its posted rate of discount at 3 per cent. The bank rate at Paris is 3 per cent. and at Berlin 4 per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2¼ @ 2⅜ per cent., against 2⅞ per cent. a month ago. The open market rate at Paris was 1⅝ per cent., against 1⅛ @ 1¼ per cent. a month ago, and at Berlin and Frankfort 3¼ per cent., against 2¾ @ 2⅞ per cent. a month ago.

Bank of England Statement and London Markets.

	June 30, 1904.	July 13, 1904.	Sept. 1, 1904.	Oct. 1, 1904.
Circulation (exc. b'k post bills)	£28,869,000	£28,741,605	£28,703,000	£28,403,000
Public deposits	9,023,000	6,724,146	6,245,000	8,404,000
Other deposits	50,258,000	41,143,779	43,455,000	41,887,000
Government securities	15,968,000	16,903,766	14,234,000	14,227,000
Other securities	26,246,000	25,150,891	17,318,000	25,459,000
Reserve of notes and coin	24,920,000	23,857,264	24,556,000	23,937,000
Coin and bullion	35,339,282	34,148,869	34,500,000	33,921,428
Reserve to liabilities	41⅞%	49 13/16%	53¼%	57½%
Bank rate of discount	3%	3%	3%	3%
Price of Consols (2½ per cents.)	90½	89⅝	88¾	88 7/16
Price of silver per ounce	26⅛d.	26 11/16d.	26¼d.	26 11/16d.

Silver.—The price of silver in London declined early in the month to 26d. but subsequently advanced to 26⅞d. and closed at 26 11-16d. a net advance for the month of 7-16d.

Monthly Range of Silver in London—1902, 1903, 1904.

Month.	1902.		1903.		1904.		Month.	1902.		1903.		1904.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	26 1/16	25⅝	22⅜	21 13/16	27 5/16	25⅛	July......	24 9/16	24 9/16	25⅝	24¼	27	26⅝
February	25⅝	25 5/16	22 5/16	21⅞	27½	25⅝	August ..	24 7/16	24⅛	26¾	25 5/16	27	26 3/16
March....	25 7/16	24 15/16	22 15/16	22⅛	26 11/16	25¼	Septemb'r	24⅛	23 9/16	26 7/16	26 3/16	26⅝	26
April.....	24⅞	23 5/16	25 1/16	22⅝	25½	24 1/16	October..	23 11/16	23¼	28½	27 7/16	....	....
May......	24⅛	23 5/16	25¼	24 5/16	25½	25⅛	Novemb'r	23¼	21¾	27⅝	26¼	....	....
June.....	24 7/16	23 15/16	24 9/16	24⅛	26⅛	25 5/16	Decemb'r	22½	21 11/16	26⅛	25	....	....

Foreign and Domestic Coin and Bullion—Quotations in New York.

	Bid.	Asked.		Bid.	Asked.
Sovereigns & Bk. of Eng. notes	$4.85	$4.88	Mexican 20 pesos	$19.55	$19.65
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.74	4.77	Mexican dollars	.45¾	.47½
Twenty-five pesetas	4.78	4.82	Peruvian soles	.42	.44
Spanish doubloons	15.55	15.65	Chilian pesos	.42	.44
Mexican doubloons	15.55	15.65			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26 11/16d. per ounce. New York market for large commercial silver bars, 57⅞ @ 59⅛c. Fine silver (Government assay), 58 @ 59⅝c. The official price was 57¾c.

Gold and Silver Coinage.—The coinage of the mints in the United States in September aggregated $16,190,718 of which 14,585,705 was gold, $1,452,082 silver and $152,931 minor coin.

Coinage of the United States.

	1902.		1903.		1904.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
January	$7,660,000	$2,908,687	$7,685,178	$1,707,000	$2,765,000	$4,657,000
February	6,643,850	2,489,000	7,488,510	1,521,000	35,603,500	1,475,000
March	1,558	2,965,577	6,879,920	1,595,987	63,605,790	1,491,509
April	3,480,315	3,388,273	137,400	1,809,000	26,177,600	1,158,000
May	426,000	1,873,000	69,000	1,584,000	44,109,000	880,000
June	500,345	2,464,353	610	3,840,222	14,884,400	342,143
July	2,120,000	2,254,000	....	887,327	....	455,519
August	8,040,000	2,236,000	450,000	452,000	1,385,000	1,591,000
September	3,560,860	2,831,165	645,692	1,807,469	14,585,705	1,452,082
October	1,890,000	2,287,000	1,540,000	2,324,000	....	....
November	2,675,000	2,399,000	8,794,600	1,401,000	....	....
December	6,277,925	1,932,216	10,043,060	1,567,435	....	....
Year	$47,109,852	$29,928,167	$43,683,970	$19,874,440	$203,115,995	$13,102,253

National Bank Circulation.—The circulation of the National banks was increased last month nearly $3,600,000. The circulation based on Government bonds

increased $4,600,000 and circulation based on lawful money decreased $1,000,000. The Government bonds deposited to secure circulation were increased $5,000,000 and now amount to nearly $425,000,000 of which nearly $416,000,000 are of the new 2 per cent. issue. Beside these the National banks hold $79,000,000 of the 2 per cents to secure public deposits making the entire issue outstanding except about $47,000,000.

NATIONAL BANK CIRCULATION.

	June 30, 1904.	July 31, 1904.	Aug. 31, 1904.	Sept. 30, 1904.
Total amount outstanding	$449,235,095	$450,206,888	$452,516,773	$456,079,408
Circulation based on U. S. bonds	412,759,449	415,025,156	417,380,300	422,014,715
Circulation secured by lawful money	36,475,646	35,181,732	35,136,473	34,064,693
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	4,215,500	4,427,000	4,609,500	4,977,000
Four per cents. of 1895	1,822,100	1,822,100	1,790,100	1,791,100
Three per cents. of 1898	1,815,440	1,799,940	1,983,440	2,062,940
Two per cents. of 1900	408,163,650	409,909,650	411,300,900	415,870,450
Total	$416,016,690	$417,958,690	$419,683,940	$424,701,490

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,546,750; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $9,901,050; 3 per cents. of 1898, $7,217,500; 2 per cents. of 1930, $79,183,050; District of Columbia 3.65's, 1924, $1,872,000; State and city bonds, $2,971,500; Philippine Island certificates, $2,506,000; Hawaiian Islands bonds, $1,072,000; Philippine loan, $2,022,000, a total of $115,391,850.

GOVERNMENT REVENUES AND DISBURSEMENTS.—There was a surplus reported by the Treasury Department of $5,894,325 for the month of September which reduces the deficit since July 1 to $17,856,595. The receipts in September were $46,344,683, an increase of $1,300,000 as compared with September last year, while the expenditures were $40,450,358 an increase of $2,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	September, 1904.	Since July 1, 1904.
Customs	$22,230,361	$65,131,784
Internal revenue	19,941,123	58,951,814
Miscellaneous	3,173,199	13,950,864
Total	$46,344,683	$138,034,462
Excess expenditures	*5,894,325	17,856,595

EXPENDITURES.

Source.	September, 1904.	Since July 1, 1904.
Civil and mis	$9,595,537	$36,647,808
War	9,206,677	41,715,450
Navy	9,474,603	31,619,750
Indians	882,897	3,000,720
Pensions	11,089,086	36,875,360
Interest	201,558	6,031,989
Total	$40,450,358	$155,891,077

* Excess of receipts.

MONEY IN CIRCULATION IN THE UNITED STATES.—There was a gain of nearly $4,000,000 in circulation last month although the volume of gold coin and certificates in circulation was reduced $21,000,000. This loss was more than offset by the increase in silver and in National bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1904.	Aug. 1, 1904.	Sept. 1, 1904.	Oct. 1, 1904.
Gold coin	$627,970,533	$644,112,980	$646,664,812	$641,844,863
Silver dollars	81,573,223	70,581,561	71,507,729	76,000,250
Subsidiary silver	97,631,352	94,577,050	95,994,732	98,840,017
Gold certificates	421,080,019	500,864,129	503,719,459	486,512,189
Silver certificates	465,836,220	459,521,910	461,520,160	468,189,876
Treasury notes, Act July 14, 1890	15,828,853	12,550,766	12,168,187	11,860,099
United States notes	343,272,438	331,679,234	332,811,219	336,924,758
National bank notes	413,153,189	432,701,873	433,893,686	442,027,487
Total	$2,466,345,897	$2,546,589,503	$2,558,279,984	$2,562,149,489
Population of United States	81,177,000	81,982,000	82,098,000	82,214,000
Circulation per capita	$30.38	$31.06	$31.16	$31.16

MONEY IN THE UNITED STATES TREASURY.—While the total money in the United States Treasury was reduced nearly $9,000,000 last month, a reduction of

$11,000,000 in certificates and Treasury notes outstanding made the net amount of cash in the Treasury increase $2,000,000. The Treasury gained in net gold $24,500,000.

Money in the United States Treasury.

	Jan. 1, 1904.	Aug. 1, 1904.	Sept. 1, 1904.	Oct. 1, 1904.
Gold coin and bullion	$686,651,991	$698,309,760	$703,131,753	$709,611,105
Silver dollars	477,594,756	497,398,758	496,304,090	491,795,339
Silver bullion	11,579,510	4,916,944	3,908,351	3,021,439
Subsidiary silver	8,306,927	11,926,290	12,464,160	11,460,297
United States notes	3,408,578	15,001,782	13,869,797	9,756,258
National bank notes	12,009,829	17,505,015	18,623,087	14,051,921
Total	$1,199,551,591	$1,245,058,549	$1,248,401,138	$1,239,696,359
Certificates and Treasury notes, 1890, outstanding	902,745,162	972,936,805	977,407,806	966,512,114
Net cash in Treasury	$296,806,429	$272,121,744	$270,993,332	$273,184,245

Supply of Money in the United States.—The total stock of money in the country increased $6,000,000 last month. Gold increased $1,500,000, fractional silver $1,800,000 and National bank notes $3,500,000. There was a decrease shown in silver dollars and bullion.

Supply of Money in the United States.

	Jan. 1, 1904.	Aug. 1, 1904.	Sept. 1, 1904.	Oct. 1, 1904.
Gold coin and bullion	$1,314,622,524	$1,342,422,740	$1,349,896,565	$1,351,455,968
Silver dollars	559,167,979	567,980,319	567,811,819	567,795,589
Silver bullion	11,579,510	4,916,944	3,908,351	3,021,439
Subsidiary silver	105,938,279	106,503,340	108,458,792	110,300,314
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	450,206,888	452,516,773	456,079,408
Total	$2,763,152,326	$2,818,711,247	$2,829,273,316	$2,835,333,734

United States Foreign Trade.—The exports of merchandise in August were $7,000,000 more than in July and $3,000,000 more than in August 1903, but the imports of merchandise gained still more and consequently the excess of exports in August was but little more than $5,000,000 as compared with $7,000,000 in 1903, $16,000,000 in 1902, $35,000,000 in 1901 and near $42,000,000 in 1900. For the eight months of the calendar year the net exports are very little more than one-half of what they were in 1901, the balance in that year being nearly $360,000,000 while this year it is less than $185,000,000. The small movement of breadstuffs and cotton in August will account for the small volume of exports in that month. Only about

Exports and Imports of the United States.

Month of August.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1899	$104,646,020	$66,643,810	Exp., $38,002,210	Imp., $3,292,349	Exp., $814,232
1900	103,575,965	61,820,488	" 41,755,477	Exp., 13,846,580	" 2,588,725
1901	108,024,209	73,127,217	" 34,896,992	" 3,339,667	" 1,781,919
1902	94,942,310	78,923,281	" 16,019,029	Imp., 2,837,883	" 2,937,669
1903	89,446,457	82,049,262	" 7,397,195	" 7,763,777	Imp., 348,864
1904	92,688,081	87,511,646	" 5,176,435	Exp., 3,001,447	Exp., 2,335,382
Eight Months.					
1899	792,590,823	515,190,433	Exp., 277,400,300	Exp., 584,316	Exp., 14,769,141
1900	916,062,516	564,898,833	" 351,163,683	" 19,670,792	" 15,679,688
1901	939,329,341	579,650,756	" 359,678,585	" 9,022,596	" 16,357,329
1902	821,929,100	614,413,297	" 207,515,803	" 10,540,928	" 14,640,299
1903	878,911,631	676,981,594	" 201,930,037	" 14,082,961	" 7,626,390
1904	851,637,657	667,017,851	" 184,619,806	" 15,844,945	" 18,080,978

$5,000,000 of breadstuffs and $6,000,000 of cotton were shipped in August. Last December we exported $16,000,000 breadstuffs and $72,000,000 cotton. These classes of exports will show a large increase during the remainder of the year.

UNITED STATES PUBLIC DEBT.—The surplus revenues in September are reflected in an increased cash balance in the Treasury and a reduction in the net debt. The former was $301,414,162 on October 1 compared with $297,975,364 on September 1, an increase of $3,400,000. The net debt, less cash in the Treasury, was reduced $5,-000,000 and is now slightly in excess of $982,000,000.

UNITED STATES PUBLIC DEBT.

	July 1, 1904.	*Aug. 1, 1904.*	*Sept. 1, 1904.*	*Oct. 1, 1904.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,150	156,593,400	156,593,650	156,593,650
Refunding certificates, 4 per cent......	29,080	28,930	28,770	28,770
Loan of 1925, 4 per cent.................	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt...........	$895,157,440	$895,157,540	$895,157,630	$895,157,630
Debt on which interest has ceased... ...	1,970,920	1,881,130	1,841,270	1,662,220
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	35,526,542	34,220,208	34,765,732	33,373,135
Fractional currency....................	6,869,250	6,869,250	6,869,250	6,869,250
Total non-interest bearing debt......	$389,130,655	$387,824,321	$388,369,845	$386,977,248
Total interest and non-interest debt.	1,286,259,016	1,284,862,092	1,285,368,746	1,283,797,099
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	494,290,569	521,430,969	527,336,969	528,491,969
Silver "	470,476,000	469,645,000	468,329,000	474,322,000
Treasury notes of 1890	12,978,000	12,653,000	12,225,000	11,966,000
Total certificates and notes...........	$977,744,569	$1,003,728,969	$1,007,890,969	$1,014,779,969
Aggregate debt	2,264,003,585	2,288,591,961	2,293,259,715	2,298,577,068
Cash in the Treasury:				
Total cash assets	1,382,657,911	1,398,829,075	1,400,956,603	1,408,910,984
Demand liabilities.......................	1,063,630,669	1,094,747,495	1,102,981,239	1,107,496,821
Balance	$319,027,242	$304,081,579	$297,975,364	$301,414,162
Gold reserve.............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	169,027,242	154,081,579	147,975,364	151,414,162
Total	$319,027,242	$304,081,579	$297,975,364	$301,414,162
Total debt, less cash in the Treasury.	967,231,774	980,781,413	987,393,382	982,382,937

BUFFALO & SUSQUEHANNA IRON CO.—Through the courtesy of Messrs. Fisk & Robinson, 35 Cedar street, New York, the following information has been obtained regarding the operations of the Buffalo & Susquehanna Iron Company :

"One of the most modern furnaces in the United States, that of the Buffalo & Susquehanna Iron Company, has just been successfully blown in at Buffalo. Its annual output will be about 225,000 tons.

The plant represents the most advanced ideas in furnace construction and will undoubtedly be an important factor in the country's iron trade. The company controls its ore mines, its coke supply, its limestone and, through subsidiary corporations, the transportation of all these raw materials.

Its officers include Frank H. Goodyear and Charles W. Goodyear, also William Rogers, of the firm of Rogers, Brown & Company, who will handle the company's output.

The Buffalo & Susquehanna Iron company is the second of the large furnaces to locate at Buffalo, the first having been the Lackawanna Steel Company. It will be interesting to watch the development of these plants as their location has many points of superiority over Pittsburg."

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of September, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903:

	Year 1903.		Highest and Lowest in 1904.		September, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89⅞	54	84 —Sept. 27	64 —Feb. 24	84	80	83¾
" preferred	103⅛	84⅜	101⅜—Sept. 27	87⅝—Jan. 6	101⅜	97½	100½
Baltimore & Ohio	104	71⅝	90¼—Sept. 29	72⅞—Mar. 14	90¼	86⅝	90¼
Baltimore & Ohio, pref	96¾	82¾	95 —July 20	87⅝—Feb. 19	94⅛	93¾	94
Brooklyn Rapid Transit	71⅛	29½	57⅝—Sept. 7	38 —Feb. 24	57⅝	53⅝	57¼
Canadian Pacific	138¾	115⅝	131 —Sept. 30	109½—Mar. 12	131	124⅛	131
Canada Southern	78½	57½	69 —Sept. 15	64 —Apr. 29	69	66⅞	68⅝
Central of New Jersey	190	153	182½—Sept. 12	154½—Feb. 20	182½	170	182
Ches. & Ohio	53⅝	27¼	44½—Sept. 29	28¼—Mar. 14	44½	38¾	44⅝
Chicago & Alton	37¼	18½	42 —Aug. 29	33 —Jan. 2	42	39⅛	40¼
" preferred	75½	60	85¼—Jan. 21	75 —Jan. 6	84½	80	80½
Chicago, Great Western	29⅝	13	17¾—Jan. 22	12⅞—June 8	17¼	15⅛	16½
Chic., Milwaukee & St. Paul	183¼	133¼	160½—Sept. 30	137⅛—Feb. 24	160½	154	160⅜
" preferred	194¼	168	185 —Sept. 27	173 —Mar. 4	185	184	185
Chicago & Northwestern	224½	153	191 —Sept. 2	161⅛—Mar. 14	191	184	190
" preferred	250	190	232 —Sept. 15	207 —Feb. 8	232	22 ¼	223¼
Chicago Terminal Transfer	19⅞	8	12¾—Jan. 15	5¼—Aug. 31	60⅞	5½	6⅝
" preferred	36	15	26½—Jan. 15	11⅛—Aug. 31	16¼	12½	15¼
Clev., Cin., Chic. & St. Louis	99⅝	66	82½—Sept. 15	68½—May 18	82½	78	80½
Col. Fuel & Iron Co	82½	24	44 —Sept. 10	25½—Mar. 12	44	31¾	35
Colorado Southern	31⅜	10	20½—Sept. 22	13½—June 1	20½	15⅛	19½
" 1st preferred	72	44½	58½—Jan. 25	48 —June 1	51⅞	48	51
" 2d preferred	48	17	28⅜—Jan 22	17⅞—June 7	28	21	26¼
Consolidated Gas Co	222	164	212⅜—May 16	185 —Feb. 8	211	195½	210⅝
Delaware & Hud. Canal Co	183½	149	170 —Sept. 9	149 —Mar. 12	170	163	169¾
Delaware, Lack. & Western	275½	230	300 —Sept. 29	250½—Feb. 23	300	272¼	291
Denver & Rio Grande	43	18	29½—Sept. 27	18 —Mar. 14	29½	24⅜	29
" preferred	90½	62	82½—Sept. 17	64½—Feb. 24	82½	76½	82
Detroit Southern	20⅝	7	14¾—Jan. 23	1⅛—June 27	5	2⅛	4
" preferred	39¾	14	29½—Jan. 25	2¾—June 27	8	4⅛	7¼
Duluth So. S. & Atl., pref	29⅜	10	16¾—Jan. 23	9¼—Aug. 10	13¼	12	12⅞
Erie	42⅝	23	32½—Sept. 15	21½—May 16	32½	28¼	31⅝
" 1st pref	74	62½	69¾—Jan. 27	55⅝—May 31	68¼	64⅝	67⅞
" 2d pref	64⅞	44	50¼—Jan. 2	33 —May 16	47½	40½	45½
Evansville & Terre Haute	72½	39½	66½—Jan. 27	54 —July 15	59	59	59
Express Adams	235	214	236 —Sept. 16	220 —Feb. 2	236	230	236
" American	235	171	214½—Aug. 29	180 —June 2	214½	205	210
" United States	150¼	95	122 —Aug. 25	100 —Feb. 24	120	115	115
" Wells, Fargo	249½	191	250 —Aug. 23	200 —June 16	230	230	235
Hocking Valley	106½	63	84¾—Sept. 1	60 —May 24	84¾	77	81
" preferred	99¼	77	91 —Aug. 30	77 —Mar. 12	90	87	89¾
Illinois Central	151	125⅛	140⅝—Sept. 15	125¾—Feb. 24	140⅝	137	140
Iowa Central	48	16	25¾—Sept. 27	14 —June 4	25¾	22	25½
" preferred	77⅜	30½	47⅜—Sept. 27	32 —Feb. 25	47⅜	41½	45¼
Kansas City Southern	36¼	16½	26 —Sept. 12	16½—Feb. 24	26	24	24⅞
" preferred	61¼	29	48¼—Sept. 15	31 —Feb. 29	48¼	44⅞	46⅛
Kans. City Ft. S. & Mem. pref	82¾	62¼	79¾—Sept. 10	64⅛—June 1	79¾	76	77⅝
Louisville & Nashville	130½	95	127½—Sept. 28	101 —Feb. 23	127½	120½	126⅝
Manhattan consol	155½	126¼	157⅝—Sept. 10	139¾—Mar. 12	157⅝	153	154½
Metropolitan securities	128⅞	70½	96½—Aug. 11	72¼—Mar. 14	89⅝	78⅝	83½
Metropolitan Street	142⅞	99⅞	125¾—Aug. 10	104¾—Mar. 14	123⅞	118¼	121⅝
Mexican Central	29	8½	15 —Sept. 10	5 —Apr. 23	15	11⅝	14
Minneapolis & St. Louis	110	41	67¾ Jan. 18	40 —June 8	57¾	55	57½
" preferred	118	83	96½—Sept. 16	80 —July 29	96½	90	95
Minn., S. P. & S.S. Marie	79½	42	77 —Sept. 28	55 · Jan. 4	77	72½	74½
" preferred	132¼	109½	134¼—Sept. 28	116 —May 2	134¼	129	133¼
Missouri, Kan. & Tex	30⅛	15½	24¾—Sept. 29	14⅝—Feb. 24	24¾	21½	24¼
" preferred	63½	33	49⅞—Aug. 26	32¼—June 1	49¾	46	49
Missouri Pacific	115⅞	85¼	99⅝—Sept. 10	87 —Feb. 24	99⅝	95¾	98
Natl. of Mexico, pref	47⅝	34½	41½—Sept. 15	34¾—Feb. 25	41½	36¼	40
" 2d preferred	28½	17	21⅞—Jan. 8	15⅞—Feb. 25	21⅞	19	20¼
N. Y. Cent. & Hudson River	156	112⅜	129¼—Sept. 15	112⅞—Mar. 12	129¼	122	128¼
N. Y., Chicago & St. Louis	45	19½	32½—Sept. 15	25 —May 16	32½	30⅛	31¾
" 2d preferred	87	50	69 —Jan. 26	60 —June 14	68	65	65

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1903.		Highest and Lowest in 1904.		September, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	35¼	19	37 —Sept. 28	19⅝—Mar. 14	37	31	35⅛
Norfolk & Western............	76¼	54¾	70¼—Sept. 15	53½—Mar. 12	70¼	67	69¾
" preferred............	93½	85	91 —July 27	88 —May 6	91	90⅛	91
North American Co............	124⅛	68	96½—Sept. 23	80 —Mar. 12	96⅛	92	95⅛
Pacific Mail..................	42¾	17	35 —Sept. 10	24 —Feb. 27	35	28¾	34
Pennsylvania R. R............	157⅝	110¾	132¾—Sept. 15	111½—Mar. 12	132¾	124¾	132¼
People's Gas & Coke of Chic.	108⅜	87¾	104⅜—Sept. 10	92¾—Mar. 12	104⅜	100⅝	102¾
Pullman Palace Car Co.......	235¾	196	222 —July 15	209 —Mar. 14	220	216½	220
Reading........................	69¼	37½	70 —Sept. 9	38¾—Mar. 14	70	61⅛	68⅝
" 1st prefered..........	89⅞	73	86¾—Sept. 30	76 —Mar. 1	86¾	84	86¾
" 2d preferred..........	81	55¾	78½—Sept. 29	55¼—Feb. 25	78½	74	78
Rock Island...................	53⅝	19½	30¼—Sept. 10	19⅛—Mar. 11	30¼	25¾	28
" preferred............	86	55¾	74½—Sept. 12	57¾—Jan. 6	74½	68⅝	72⅝
St. L. & San Fran. 2d pref....	78	39	61 —Sept. 10	39¼—Jan. 6	61	58⅛	58¾
St. Louis & Southwestern....	30	12	22½—Aug. 26	9½—June 1	22⅛	19	21½
" preferred............	66	24	46¾—Sept. 30	25⅜—June 1	46¾	40⅝	46¾
Southern Pacific Co..........	68¼	38⅝	59 —Sept. 6	41⅛—Mar. 14	59	54¼	57⅝
Southern Railway............	36⅞	16½	34⅞—Sept. 12	18¼—Feb. 24	34⅞	28⅜	33½
" preferred............	96	69½	96 —Sept. 9	77½—Jan. 6	96	92½	94⅜
Tennessee Coal & Iron Co....	68¾	25⅞	49½—Sept. 15	31⅝—May 16	49½	44⅝	48⅛
Texas & Pacific...............	43⅜	20½	33¼—Sept. 12	20 —June 2	33¼	30¼	31⅝
Toledo, St. Louis & Western..	31⅞	15	33 —Sept. 19	21⅛—May 27	33	28	30⅞
" preferred............	48	24	53 —Sept. 19	32 —Feb. 24	53	46	49½
Union Pacific.................	104⅝	65½	103⅛—Sept. 30	71 —Mar. 14	103⅛	96⅞	102⅝
" preferred............	95¼	33½	95¾—Aug. 30	86½—Feb. 25	94	92⅞	94
Wabash R. R..................	32¾	16⅝	22 —Sept. 12	15 —May 16	22	19⅛	20⅝
" preferred............	55¼	27½	43¼—Sept. 15	32¾—Feb. 24	43¼	39	42⅛
Western Union................	93	80¼	92¼—Sept. 14	85 —May 19	92¼	90	90⅝
Wheeling & Lake Erie........	27½	12	19⅛—Jan. 22	14⅛—July 25	18¼	16¼	17¾
" second preferred....	38½	20	29¾—Jan. 27	21⅛—June 29	26¾	25	25½
Wisconsin Central............	29¼	14½	21⅞—Jan. 20	16 —June 6	21⅜	18	20⅜
" preferred............	55½	33	47⅞—Jan. 27	37 —June 6	46¼	41½	45¼
"Industrial"							
Amalgamated Copper........	75⅝	33⅝	59¾—Sept. 9	43⅛ Feb. 8	59¾	56½	58⅛
American Car & Foundry....	41¾	17¼	24½—Sept. 12	14¾—July 1	24½	18¾	23⅛
" pref....................	93	60½	82¼—Sept. 12	67 —Jan. 6	82¼	78½	81¼
American Co. Oil Co..........	46¼	25¼	34¾—Aug. 8	24¼—June 14	34½	28	29
American Ice	11½	4	9¼—Jan. 2	6⅛—Mar. 24	8⅜	6¼	7¾
American Locomotive........	31⅝	10½	28⅛—Sept. 14	16⅛—Jan. 6	28⅛	20½	27
" preferred............	95¾	67½	97⅝—Sept. 13	75½—Jan. 6	97⅝	90	96⅛
Am. Smelting & Refining Co.	52⅞	36¾	68 —Sept. 10	46 —Feb. 25	68	63¾	66¾
" preferred............	99½	80¼	110 —Sept. 29	88¾—Jan. 6	110	106	108
American Sugar Ref. Co......	134⅜	107⅛	134⅜—Aug. 10	122¼—Mar. 7	133	129⅜	131¾
Anaconda Copper Mining....	125½	58	98 —Sept. 20	61 —Feb. 20	98	80	93
Continental Tobacco Co. pref.	119	94¾	125¼—Sept. 23	101½—Jan. 4	125¼	120½	123⅛
Corn Products................	35	15½	22⅜—Jan. 25	9¾—May 9	16	13	15⅛
" preferred............	85⅛	60	74½—Jan. 23	65 —Mar. 9	71½	69⅝	71½
Distillers securities...........	34¾	20	30¾—Sept. 27	19⅛—June 9	30¾	26	28⅞
General Electric Co...........	204	136	179¼—Jan. 23	151 —June 20	176	165	172½
International Paper Co......	19⅞	9	18 —Sept. 16	10¼—May 26	18	14½	17¾
" preferred............	74¼	57½	76¼—Sept. 16	64⅛—Feb. 9	76¼	73¾	76
National Biscuit..............	47⅝	32	49¾—July 20	36 —Jan. 4	49½	47	49½
National Lead Co.............	29½	10½	24⅞—Sept. 15	14⅛—Feb. 25	21⅞	23	24⅜
Pressed Steel Car Co..........	65¾	22½	35 —Sept. 12	24¼—May 16	35	31½	33½
" preferred............	95	62½	81½—Sept. 15	67 —May 16	81½	77½	79
Republic Iron & Steel Co.....	22⅝	5⅝	9¼—Sept. 15	6 —May 16	9¼	7½	9¼
" preferred............	80⅜	36¾	49½—Jan. 23	37 —May 13	46¾	42½	46¾
Rubber Goods Mfg. Co........	30	12	22¼—Jan. 27	14¾—Apr. 15	22¼	17⅞	22
" preferred............	84½	60	84 —Sept. 30	74¾—Jan. 15	84	81	84
U. S. Leather Co..............	15¼	6	10¼—Sept. 22	6½—May 27	10¼	7½	9¾
" preferred............	96¾	71½	88⅛—Sept. 28	75⅝—Jan. 4	88⅛	85¾	87¾
U. S. Realty & Con............	28½	4	9⅝—Jan. 21	5⅛—Jan. 15	....	....	....
" preferred............			63⅜—May 23	40 —Jan. 14	....	....	....
U. S. Rubber Co..............	19⅛	7	21⅞—Sept. 30	10½—Feb. 6	21⅞	18¾	21⅞
" preferred............	58	30¼	78½—July 19	41 —Jan. 4	76	73½	76
U. S. Steel......................	39⅞	10	18⅝—Sept. 17	8⅜—May 13	18⅝	12⅞	18⅛
" pref......................	89¾	49¾	74⅛—Sept. 30	51¼—May 13	74⅛	61⅞	74⅛

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Ann Arbor 1st g 4's..............1995	7,000,000	Q J	96	Sept. 1,'04	96	96	1,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	148,155,000	A & O	103⅞	Sept.30,'04	103⅞	103⅛	677,000
" registered..................	....	A & O	103¼	Sept.12,'04	103¼	103¼	15,000
" adjustment, g. 4's.....1995	25,616,000	NOV	96⅛	Sept.29,'04	96⅛	95	67,500
" registered..................	....	NOV	82⅛	Jan. 26,'04	....	....	....
" stamped..............1995	26,112,000	M & N	94½	Sept.30,'04	94½	93	198,500
" serial debenture 4's—							
" series C................1905	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series D................1906	2,500,000	F & A	99	Aug.15,'04	....	....	....
" registered..................	....	F & A			....	....	....
" series E................1907	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series F................1908	2,500,000	F & A	98	May 31,'04	....	....	....
" registered..................	....	F & A			....	....	....
" series G................1909	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series H................1910	2,500,000	F & A	97⅛	Sept.12,'04	97⅛	97⅛	2,000
" registered..................	....	F & A			....	....	....
" series I................1911	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series J................1912	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series K................1913	2,500,000	F & A			....	....	....
" registered..................	....	F & A			....	....	....
" series L................1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered..................	....	F & A			....	....	....
" East.Okla.div.1stg.4's.1928	5,645,000	M & S	97	Sept.28,'04	97	96½	8,000
" " registered......	....	M & S			....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S			....	....	....
Atl. Knox. & Nor. Ry. 1st g. 5s..1946	1,000,000	J & D	112	Sept.20,'04	112	112	1,000
Atlan.Coast LineR.R.Co.1stg.4's.1952	36,844,000	M & S	98⅛	Sept.30,'04	98⅛	97⅛	468,000
" registered..................		M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g. 7's..1936	1,500,000	J & J	108¾	Dec. 18,'99	....	....	....
Savanh Florida & W'n 1st g. 6's..1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
" 1st g. 5's..............1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's..1928	2,800,000	M & N	114	Aug. 3,'04	....	....	....
Brunswick & W'n 1st gtd. g. 4's..1938	3,000,000	J & J	93	July14,'04	....	....	....
Sil.SpsOc.&G.RR.&ld g.gtd g.4s.1918	1,067,000	J & J	98	Sept.22,'04	98	98	2,000
Balt. & Ohio prior lien g. 3½s..1925	72,798,000	J & J	94¾	Sept.30,'04	95¾	94¾	82,000
" registered..................		J & J	93	Sept.21,'04	93	93	1,000
" g. 4s. 1948	70,963,000	A & O	103⅛	Sept.29,'04	103¾	103	242,500
" g. 4s. registered...........		A & O	103	July21,'04	....	....	....
" ten year c. deb. g. 4's..1911	592,000	M & S	101¼	Sept.26,'04	101¼	101¼	5,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	92	Sept.27,'04	92	91½	15,000
" registered..................		QFeb			....	....	....
Pitt L. E. & West Va. System refunding g 4s..........1941	20,000,000	M & N	99¾	Sept.29,'04	99⅝	98¼	76,000
" Southw'n div. 1st g.3½s.1925	43,590,000	J & J	91⅝	Sept.29,'04	92	91½	224,500
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	105½	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	108	Sept. 7,'04	109½	108	8,000
Ptsbg Clev. & Toledo, 1st g.6's..1922	515,000	A & O	119¼	Mar. 7,'04	....	....	....
Pittsburg & Western.1st g.4's..1917	688,000	J & J	100	Sept. 8,'04	100	100	7,000
" J. P. Morgan & Co. cer.....	1,921,000	......	100	Sept.22,'04	100	100	1,000
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	117½	Aug.13,'04	....	....	....
Allegbany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O			....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	121½	Mar. 2,'04	....	....	....
" cons. 1st 6's...........1922	3,920,000	J & D	123½	Aug.17,'04	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	4,317,000	J & J	99¼	Sept.17,'04	99¼	98¼	25,000
" registered......		J & J			....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	SEPTEMBER SALES. *High.*	*Low*	*Total.*
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	104	Sept.28,'04	104	103⅝	31,000
" 2d mortg. 5's............1913	6,000,000	M & S	106	Sept.27,'04	106	106	10,000
" registered..................		M & S	107	July 11,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.1948	2,500,000	J & D	95	Sept.15,'04	96	95	10,000
Central R'y of Georgia, 1st g. 5's.1945	7,000,000	F & A	120¾	Sept.26,'04	120¾	120½	6,000
" registered $1,000 & $5,000		F & A	....	....	....	....	....
" con. g. 5's..............1945	16,700,600	M & N	112	Sept.30,'04	112	111	153,000
" con. g. 5's, reg. $1,000 & $5,000		M & N	107	June14,'04	....	....	....
" 1st. pref. inc. g. 5's......1945	4,000,000	OCT 1	88	Sept.30,'04	88⅛	84¾	465,000
" 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	55	Sept.30,'04	55	47⅝	821,000
" 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	38	Sept.30,'04	38¼	33¾	322,000
" Chat. div. pur. my. g. 4's.1951	1,990,000	J & D	92⅛	May 23,'04	....	....	....
" Macon & Nor. Div. 1st g. 5's..................1946	840,000	J & J	104	Feb. 19,'04	....	....	....
" Mid. Ga. & Atl. div. g 5s.1947	413,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's....1946	1,000,000	J & J	107¼	Aug. 2,'04	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1937	4,880,000	M & N	110¾	Sept. 9,'04	110¾	110½	6,000
Central of New Jersey, gen. g. 5's.................1987	45,091,000	J & J	124	Sept.26,'04	134	133½	5,000
" registered................		Q J	133	Sept.18,'04	133	132½	18,500
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	114	Sept.26,'04	114	114	1,000
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	103¾	Sept.19,'04	....	....	....
" con. extended gtd. 4½'s.1910	12,175,000	Q M	102	Sept.28,'04	103¼	103¾	5,000
N.Y. & Long Branch gen. g. 4's.1941	1,500,000	M & S	....		102½	102	32,000
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	108	July 1,'04	....	....	....
" Mortgage gold 6's.......1911	2,000,000	A & O	111¼	July 27,'04	....	....	....
" 1st con. g. 5's............1939	25,858,000	M & N	119⅛	Sept.30,'04	119¼	118¾	27,000
" registered.................		M & N	118	July 26,'04	....	....	....
" Gen. m. g. 4½'s..........1992	38,073,000	M & S	105⅛	Sept.30,'04	105¾	105	198.000
" registered.................		M & S	95	Dec. 22,'03	...	....	....
" Craig Val. 1st g. 5's.....1940	650,000	J & J	112	May 14,'03	....	....	....
" (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	102½	Sept.30,'04	102½	101½	10,000
" 2d con. g. 4's...........1989	1,000,000	J & J	98½	Sept.19,'04	98½	98½	6,000
" Warm S. Val. 1st g. 5's, 1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	95¼	Sept.20,'04	95¼	95¼	1,000
Chic. & Alton R. R. ref. g. 3's.... 1949	31,988,000	A & O	84¾	Sept.26,'04	85	84¾	57,000
" " registered.....		A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.1950	22,000,000	J & J	80	Sept.30,'04	80⅝	79	283,000
" registered...............		J & J	83¾	Apr. 16,'02	....	....	....
Chicago, Burl. & Quincy:							
" Chic. & Iowa div. 5's....1905	2,320,000	F & A	104¾	Apr. 11,'91	....	....	....
" Denver div. 4's..........1922	4,931,000	F & A	102	July 9,'04	....	....	....
" Illinois div. 3½s.........1949	50,835,000	J & J	94¼	Sept.20,'04	94⅛	94¼	261,000
" registered..................		J & J	90½	Apr. 16,'04	....	....	....
" Illinois div. 4s..........1949	5,992,000	J & J	105⅝	Aug. 8,'04	....	....	....
" (Iowa div.) sink. f'd 5's, 1919	2,449,000	A & O	103¾	Apr. 27,'04	....	....	....
" 4's.......................1919	8,049,000	A & O	102⅛	Sept. 2,'04	102⅛	102⅛	4,000
" Nebraska extensi'n 4's, 1927	25,344,000	M & N	106	Sept.13,'04	106	105	6,000
" registered..................		M & N	105	Dec. 2,'03	....	....	....
" Southwestern div. 4's..1921	2,650,000	M & S	100¾	Feb. 8,'04	....	....	....
" 4's joint bonds..........1921	215,222,000	J & J	97⅝	Sept.30,'04	97¾	93¼	2,379,000
" " registered		Q JAN	95½	Sept.22,'04	95½	95½	20,000
" 5's, debentures..........1913	9,000,000	M & N	108	Sept.23,'04	108	108	1,000
Han. & St. Jos. con. 6's.......1911	8,000,000	M & S	114½	July 26,'04	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's. 1907	2,989,000	J & D	107½	Sept.26,'04	107½	107½	1,000
" small bonds.............		J & D	103½	July 8,'04	....	....	....
" 1st con. 6's. gold......1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
" gen. con. 1st 5's.......1937	15,323,000	M & N	120	Sept.28,'04	120	120	16,000
" registered...............		M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	117	Sept. 1,'04	117	117	20,000
Chicago, Indianapolis & Louisville.							
" refunding g. 6's...........1947	4,700,000	J & J	130½	Sept.14,'04	130½	130½	7,000
" ref. g. 5's..................1947	4,442,000	J & J	114	Sept. 8,'04	114	114	50,000
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	109½	July 27,'03	....	....	....
Chicago, Milwaukee & St. Paul.							
Chicago Mil. & St. Paul con. 7's, 1905	1,286,000	J & J	177½	Sept.20,'04	177½	177½	5,000
" terminal g 5's.........1914	4,748,000	J & J	110⅞	Sept. 2,'04	110⅞	110⅞	7 000
" gen. g. 4's, series A....1989	23,676,000	J & J	109	Sept.15,'04	110	109	16,000
" registered...............	....	Q J	109½	June18,'04	....	....	....

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Name.	Principal Due.	Amount.	Int'st paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
" gen. g. 3½'s, series B	1989	2,500,000	J & J	97⅛	Aug.22,'04	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	116⅛	Apr. 29,'03	....	....	....
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	116	Apr. 15,'04	....	....	....
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	112¾	Sept.30,'04	112¾	112¾	1,000
" 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	116¼	Sept.30,'04	116¼	116¼	1,000
" Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	111¼	Aug.12,'04	....	....	....
" Far. & So. g. 6's assu	1924	1,250,000	J & J	137⅛	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	117¾	May 25,'04	....	....	....
" 1st 5's	1910	990,000	J & J	106	Aug. 3,'04	....	....	....
" 1st 7's, Iowa & D, ex	1908	1,005,000	J & J	169	Mar. 14,'04	....	....	....
" 1st 5's, La. C. & Dav	1919	2,500,000	J & J	113	Aug.31,'03	....	....	....
" Mineral Point div. 5's	1910	2,840,000	J & J	106	Sept.13,'04	106	106	1,000
" 1st So. Min. div. 6's	1910	7,432,000	J & J	111⅛	Sept.14,'04	111½	111¼	8,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	111	Sept.28,'04	111	111	19,000
" Wis. & Min. div. g. 5's	1921	4,755,000	J & J	115⅝	Sept.26,'04	115⅝	115¼	6,000
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	112	Sept. 7,'04	112	112	1,000
" 1st con. 6's	1913	5,092,000	J & D	116¾	Sept.13,'04	116¾	116¾	6,000
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	130⅜	Sept.30,'04	130½	129¾	13,000
" extension 4's	1886-1926	18,632,000	F A 15	104⅞	June24,'04	....	....	....
" registered			F A 15	102⅝	May 11,'04	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	100	Sept.26,'04	100	100	9,000
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's	1879-1929	5,686,000	A & O	117	July 26,'04	....	....	....
" registered			A & O	111½	Dec. 11,'03	....	....	....
" sinking fund 5s'	1879-1929	6,769,000	A & O	110	June14,'04	....	....	....
" registered			A & O	107	Mar. 28,'04	....	....	....
" deben. 5's	1909	5,900,000	M & N	105	July 28,'04	....	....	....
" registered			M & N	104	Mar. 3,'04	....	....	....
" deben. 5's	1921	10,000,000	A & O	108¼	June 6,'04	....	....	....
" registered			A & O	108¾	Jan. 12,'04	....	....	....
" sinking f'd deben. 5's	1933	9,800,000	M & N	118	July 4,'04	....	....	....
" registered			M & N	114⅛	June 3,'04	....	....	....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	106	Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105⅛	May 23,'04	...	....	....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	105⅝	Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	109¾	June18,'04	....	....	....
Mil., L. Shore & We'n 1st g. 6's	1921	5,000,000	M & N	129⅝	Sept.12,'04	129⅝	129⅝	3,000
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	117¾	Mar. 26,'04	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142⅛	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's	1924	1,281,000	J & J	131¾	Dec. 3,'03	....	....	....
" con. deb. 5's	1907	436,000	F & A	103	Apr. 8,'04	....	....	....
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	125	June 6,'04	....	....	....
" registered	1917		J & J	122⅛	Aug. 3,'04	....	....	....
" gen. g. 4's	1988	61,581,000	J & J	104¾	Sept.30,'04	105⅛	104½	133,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" coll. tr. ser. 4's ser. C	1905	1,494,000	M & N	101¼	Sept.29,'02	101¼	101¼	1,000
" D	1906	1,494,000	M & N	....	....	....	....	....
" E	1907	1,494,000	M & N	....	....	....	....	....
" F	1908	1,494,000	M & N	....	....	....	....	....
" G	1909	1,494,000	M & N	....	....	....	....	....
" H	1910	1,494,000	M & N	97	July14,'04	....	....	....
" I	1911	1,494,000	M & N	....	....	....	....	....
" J	1912	1,494,000	M & N	....	....	....	....	....
" K	1913	1,494,000	M & N	....	....	....	....	....
" L	1914	1,494,000	M & N	....	....	....	....	....
" M	1915	1,494,000	M & N	96	May 16,'04	....	....	....
" N	1916	1,494,000	M & N	93	May 24 '04	....	....	....
" O	1917	1,494,000	M & N	....	....	....	....	....
" P	1918	1,494,000	M & N	90	May 11,'04	....	...	....
Chic. Rock Is. & Pac. R.R. 4's	2002	69,557,000	M & N	76¾	Sept.30,'04	78	74⅛	5,509,000
" registered			M & N	76⅛	Sept.14,'04	76⅛	76⅛	1,000
" coll. trust g. 5's	1913	17,180,000	M & S	86⅛	Sept.29,'04	89¼	84⅞	2,144,000
Burlington, Cedar R. & N. 1st 5's	1906	6,500,000	J & D	103	Sept.23,'04	103¼	103	6,000
" con. 1st & col. tst 5's	1934	11,000,000	A & O	122	Sept.17,'04	122	122	5,000
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's	1921	1,905,000	A & O	112⅛	Sept.26,'04	112½	112⅛	1,000
Minneap's & St. Louis 1st 7's, g.	1927	150,000	J & D	40	Aug 21,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s	1919	5,500,000	J & J	104⅝	Jan. 26,'04	....	....	....
" con. g. 5's	1952	5,411,000	J & J	....	....	....	....	....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	95¼	Oct. 1,'03	....	....	....
" 1st 2½'s	1905	1,200,000	J & J	95	Sept.14,'04	95	95	4,000
" extension 4's		672,000	J & J	98	Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	106¾	July 8,'04	....	....	....
" small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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Chic., St.P., Minn.& Oma.con.6's	1930	14,688,000	J & D	134⅛	Sept.23,'04	134⅛	134	39,000
• con.6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04			
Chic., St. Paul & Minn. 1st 6's	1918	1,866,000	M & N	129	May 11,'04			
North Wisconsin 1st mort. 6's	1930	659,000	J & J	129¾	Mar. 3,'04			
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	123½	July 11,'04			
Chic., Term. Trans. R. R. g. 4's	1947	14,785,000	J & J	77	Sept.28,'04	77	74	317,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,453,000	Q M	111⅛	Apr. 28,'04			
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104⅛	Dec. 5,'03			
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'			
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	113¼	July 14,'04			
Cin. Find. & Ft.W. 1st gtd g. 4's	1923	1,000,000	M & N					
Cin.Ind.&Wn.1st&ref.gtd g.4's	1953	3,200,000	J & J	97	July 8,'04			
Clev., Cin., Chic.& St.L. gen.g. 4's	1993	19,749,000	J & D	102	Sept.29,'04	102	101½	64,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	100	July 9,'04			
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	98⅛	July 30,'04			
St. Louis div. 1st col. trust g.4's	1990	9,750,000	M & N	101½	Sept.26,'04	103	101½	8,000
• registered				99	Jan. 28,'04			
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	102	Dec. 9,'02			
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94⅛	Aug.31,'03			
Cin., Ind., St. L. & Chic. 1st g.4's	1936	7,599,000	Q F	101½	Sept.19,'04	103	101½	21,000
• registered				95	Nov.15,'94			
• con. 6's	1920	668,000	M & N	105	Jan. 22,'04			
Cin., S'dusky & Clev. con. 1st g.5's	1928	2,571,000	J & J	115¼	June 23,'04			
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	120	July 28,'02			
• sink. fund 7's	1914		J & D	119⅝	Nov.19,'89			
• gen. consol 6's	1934	3,205,000	J & J	130	Sept.19,'04	130	130	1,000
• registered			J & J					
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01			
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J					
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	100¾	Sept.30,'04	100¾	100	11,000
• income 4's	1990	4,000,000	A	68	Sept 30,'04	68¼	65	127,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04			
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116	Feb. 10,'04			
• registered			Q J					
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	66½	Sept.28,'04	67	63⅛	196,000
Colorado & Southern 1st g. 4's	1929	18,803,000	F & A	86	Sept.30,'04	86¼	83½	271,000
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93			
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	112⅝	Jan. 25,'04			
Morris & Essex 1st m 7's	1914	5,000,000	M & N	128½	June 20,'04			
• 1st c. gtd 7's	1915	11,677,000	J & D	130½	Aug.24,'04			
• registered			J & D	140	Oct. 26,'98			
• 1st refund.gtd.g.3½'s	2000	7,000,000	J & D					
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	129½	Aug.27,'04			
• const. 5's	1923	5,000,000	F & A	114½	July 6,'04			
• terml. imp. 4's	1923	5,000,000	M & N	103¼	July 5,'04			
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	108¼	July 16,'04			
Warren Rd. 1st rfdg.gtd g.3½'s	2000	905,000	F & A	102	Feb. 2,'03			
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	133¾	Mar.30,'04			
• reg	1917		M & S	149	Aug. 5,'01			
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	106	June 3,'04			
• registered			A & O	122	June 6,'99			
• 6's	1906	7,000,000	A & O	104	May 12,'04			
• registered			A & O	109½	Nov.16,'01			
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	142	July 25,'04			
• 1st r 7's	1921		M & N	147¾	June 18,'03			
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	100⅝	Sept.27,'04	101½	100½	110,500
• con. g. 4½'s	1936	6,382,000	J & J	104¼	July 1,'03			
• impt. m. g. 5's	1928	8,318,500	J & D	107½	Sept.27,'04	107½	107½	6,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	100	Sept.26,'04	100	99	40,000
• mge.&col.tr.g.4's ser.A	1949	12,730,000	A & O	90	Sept.17,'04	90	89½	24,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02			
Den. & Southwn Ry g. s. fg. 5's	1929	4,923,000	J & D	24	May 4,'04			
Midl'd Ter. Ry. 1st g. s. f. 5's	1925	472,000	J & D					
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	110	Sept.30,'04	110	99½	31,000
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100	Sept.13,'04	100	100	1,000
• g. 4s	1995	1,250,000	J & D	95⅛	Sept.28,'04	95⅛	95	18,000
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	43	Sept.27,'04	44	41	39,000
• Ohio South. div.1st g.4's	1941	4,281,000	M & S	78	Sept.27,'04	78	78	17,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	112½	Aug. 9,'04			
• registered			A & O	101½	July 23,'89			
• 2d l m 6s	1916	2,000,000	J & J					
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	113¼	Sept.19,'04	113¼	113	11,000
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S					
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	116¼	Sept.13,'04	116¼	116¼	30,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
• 3d extended g. 4½'s	1923	4,617,000	M & S	109⅝	Sept.29,'04	109½	109	7,000
• 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04	....	....	....
• 5th extended g. 4's	1928	709,500	J & D	103⅛	Sept.12,'03	103⅛	103⅛	1,000
• 1st cons gold 7's	1920	16,890,000	M & S	133	Sept.28,'04	133	132½	10,000
• 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g-4s prior bds.	1996	35,000,000	J&J	99⅝	Sept.30,'04	99¾	98¾	151,000
• registered			J&J	98½	Jan. 21,'04	....	....	....
• 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	87¾	Sept.30,'04	89	86¾	1,542,000
• registered			J&J	85¾	Feb. 4,'04	....	....	....
• Penn. col. trust g. 4's.	1951	33,000,000	F & A	92⅞	Sept.30,'04	93	91⅝	180,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125¼	June 21,'04	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....		....	....	....
• small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	120⅛	Sept.19,'04	120⅛	120⅛	6,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	106	Aug. 5,'02	....	....	....
Long Dock consol. g. 6's.	1935	7,500,000	A & O	132	Apr. 13,'04	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July 25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov. 25,'03	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	108½	Jan. 6,'04	....	....	....
• small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¾	May 17,'04	....	....	....
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,745,000	J & J	111	July 8,'04	....	....	....
• 2d g. 4½'s	1937	447,000	F & A	98	Aug. 11,'04	....	....	....
• gen. g. 5's	1940	2,546,000	F & A	103⅛	Aug. 18,'04	....	....	....
• term. 1st g. 5's	1943	2,000,000	M & N	113½	Jan. 8,'04	....	....	....
• registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	110¾	Sept.26,'04	110¾	110⅝	2,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	107	Dec. 17,'03	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121⅛	Sept.28,'04	121⅛	121⅛	1,000
• 1st General g 5's	1942	2,223,000	A & O	107	Aug. 30,'04	....	....	....
• Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	95	Sept. 15,'91	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	110	Sept. 30,'04	110⅛	106⅛	142,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	85	Sept 13,'04	85	84⅛	20,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	104⅝	Aug. 27,'04	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	104¼	Sept 30,'04	104⅞	103⅛	101,000
• registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	108⅛	Sept. 29,'04	108¾	108	37,000
• registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100¼	Apr. 12,'04	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115	Apr. 11,'04	....	....	....
• registered			J&J	113⅛	Mar. 12,19'	....	....	....
• 1st gold 3½'s	1951	2,499,000	J&J	102	Aug. 19,'04	....	....	....
• registered			J&J	94	Mar. 28,'03	....	....	....
• extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
• registered			A & O	....		....	....	....
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	92½	July 13,'96	....	....	....
• registered			M & S	....		....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	105	Sept. 20,'04	105	105	8,000
• regist'd			A & O	102	Oct. 4,'03	....	....	....
• col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	104	Sept. 9,'04	104	104	1,000
• registered			M & N	101	Apr. 7,'04	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106⅛	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Louisville div. g. 3½'s.	1953	14,320,000	J & J	95¼	Sept. 12,'04	95¼	95¼	2,000
• registered			J & J	88½	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• St. Louis div. g. 3's	1951	4,939,000	J & J	80	Jan. 12,'04	....	....	....
• registered			J & J	101¼	Jan. 31,'19	....	....	....
• g. 3½'s	1951	6,321,000	J & J	94¼	Aug. 11,'04	....	....	....
• registered			J & J	101⅛	Sept. 10,'95	....	....	....
• Sp'gfield div 1st g 3½'s,	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's,	1951	5,425,000	F & A	107¼	July 18,'04	....	....	....
• registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'			
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	119	Feb. 25,'04			
" gold 5's, registered			J D 15	119¾	Mar. 12,'04			
" g. 3½'s	1951	1,352,000	J D 15	93⅝	May 31,'04			
" registered			J D 15	106¼	Aug.17,'99			
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	104⅛	Sept. 6,'04	104⅛	104⅛	2,000
" registered			J & D	121	Feb. 24,'99			
St. Louis South. 1st gtd. g. 4's	1381	538,000	M & S	101	Mar. 3,'02			
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	106	Mar. 28''04			
" 1st gtd. g. 5's	1935	938,000	J & J	107½	Dec. 18,'01			
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	98½	Sept.12,'04	98½	98½	1,000
Internat. & Gt. N'n 1st. 6's, gold	1919	11,291,000	M & N	121⅝	Sept.30,'04	121⅝	121¼	8,000
" 2d g. 5's	1909	10,391,000	M & S	99½	Sept 30,'04	99½	98¾	40,000
" 3d g. 4's	1921	2,959,500	M & S	70	Nov. 19,'03			
Iowa Central 1st gold 5's	1938	7,650,000	J & D	114	Sept.16 '04	114¾	114	5,000
" refunding g. 4's	1951	2,000,000	M & S	86½	Sept. 7,'04	86½	85½	24,000
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72½	Sept.30,'04	73	72	130,000
" registered			A & O	63¼	Oct. 16,19'			
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	120½	Sept.29,'04	120½	119¾	8,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	114½	July 16,'04			
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	116	Sept.30,'04	116	116	5,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	107¾	May 21,'04			
" registered			M & N					
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	108⅝	Sept.28,'04	109	108	32,000
" registered			J&J	105	Jan. 6,'04			
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	116	Aug.18,'02			
" registered			A & O	109½	Oct. 18,'99			
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,114,000	J & J	111	Sept.30,'04	111	111	2,000
" registered	1933		J & J					
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	99	Aug.26,'04			
" registered			M&S					
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O					
" " g. gtd 5's	1914	1,250,000	A & O	100⅝	June16,'04			
Long Island 1st cons. 5's	1931	3,610,000	Q J	116	Apr. 9,'03			
" 1st con. g. 4's	1931	1,121,000	Q J	116¼	June 8,'04			
Long Island gen. m. 4's	1938	3,000,000	J & D	99	Sept.14,'04	99	99	4,000
" Ferry 1st g. 4½'s	1922	1,494,000	M & S	101	Feb. 29,'04			
" g. 4's	1932	325,000	J & D	102½	May 5,'97			
" unified g. 4's	1949	6,860,000	M & S	100	Sept.28,'04	100⅝	100	16,000
" deb. g. 5's	1934	1,135,000	J & D	110	June22,'04			
" gtd. refunding g. 4's	1949	10,000,000	M & S	100½	Sept.30,'04	100½	100½	27,500
" " registered			M & S					
Brooklyn & Montauk 1st 6's	1911	250,000	M & S					
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03			
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02			
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	107½	Sept.27,'04	107½	107½	5,000
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112¼	Apr. 9,'02			
Louisiana & Arkan. Ry. 1st g. 5's	1927	2,724,000	M & S	103⅝	Sept.29,'04	103⅝	102	214,000
Louis. & Nash. gen. g. 6's	1930	8,239,000	J & D	118	July 21,'04			
" gold 5's	1937	1,764,000	M & N	115¾	Aug.27,'04			
" Unified gold 4's	1940	31,722,000	J & J	101	Sept.29,'04	101	100¼	321,000
" registered	1940		J & J	101⅞	June18,'94			
" collateral trust g. 5's	1931	5,129,000	M & N	113	June30,'04			
" 5-20yr. col. tr. deed g. 4's	1923	23,000,000	A A O	99¼	Sept.30,'04	99¼	98⅝	214,000
" E., Hend. & N. 1st 6's	1919	1,730,000	J & D	114	Sept.10,'04	114	113½	5,000
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	108¼	Jan. 30,'03			
" N.O. & Mobile 1st g. 6's	1930	5,000,000	J & J	128½	Aug.26,'04			
" 2d g. 6's	1930	1,000,000	J & J	122¾	Aug.31,'03			
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02			
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	122	Apr. 21,'04			
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02			
" H. B'ge 1st sk'fd. g 6's	1931	1,453,000	M & S					
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100½	Sept.16,'04	100½	100½	1,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	105½	Sept. 1,'02	105½	105½	10,000
" South. Mon. joint 4's	1952	11,827,000	J & J	95¼	Sept.29,'04	96⅛	95	51,000
" registered			Q Jan					
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	117½	July 15,'04			
" Pen. & At. 1st g. g. 6's	1921	2,454,000	F & A	115	Jan. 29,'04			
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	117	July 19,'04			
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar. 23,'02			
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	99	Aug.15,'04			
Manhattan Railway Con. 4's	1990	28,065,000	A & O	106½	Sept.26,'04	107¼	106½	79,000
" registered			A & O	103⅞	Dec. 17,'02			

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Metropolitan Elevated 1st 6's....	1908	10,818,000	J & J	108⅜	Sept.29,'04	108⅜	107¾	25,000
Manitoba Swn. Coloniza'n g.5's,	1934	2,544,000	J & D	....		....	....	....
Mexican Central.								
" con. mtge. 4's...........	1911	65,690,000	J & J	68½	Sept.30,'04	68½	62½	428,000
" 1st con. inc. 3's..........	1939	20,511,000	JULY	16¾	Sept.30,'04	17	14¼	620,000
" 2d 3's..................	1939	11,724,000	JULY	10	Sept.30,'04	10⅞	8½	446,000
" equip. & collat. g. 5's....	1917	600,000	A & O	....		....	....	....
" 2d series g. 5's...........	1919	715,000	A & O	....		....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	92	Sept.30,'04	92	92	67,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
" stamped gtd...............		3,621,000	......	....		....	....	....
Mexican Northern 1st g. 6's.....	1910	1,016,000	J & D	....		....	....	....
" registered..................			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	142	Dec. 7,'03	....	....	....
" Iowa ext. 1st g. 7's......	1909	1,015,000	J & D	111	Sept.07,'04	111	111	3,000
" Pacific ext. 1st g. 6's....	1921	1,382,000	J & A	120½	Feb. 29,'04	....	....	....
" Southw. ext. 1st g. 7's...	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
" 1st con. g. 5's............	1934	5,000,000	M & N	118	Aug. 1,'04	....	....	....
" 1st & refunding g. 4's...	1949	7,600,000	M & S	95¼	Sept.14,'04	95¼	95¼	15,000
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	26,815,000	J & J	97½	Sept.22,'04	97½	97½	2,000
" stamped pay. of int. gtd.				....		....	....	....
Minneapolis & Pacific 1st m. 5's..	1936	337,000	J & J	102	Mar.26,'87	....	....	....
" stamped 4's pay. of int. gtd.				....		....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.				89¾	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	40,000,000	J & D	100⅝	Sept.30,'04	100⅝	100	167,500
" 2d mtge. g. 4's.........	1990	20,000,000	F & A	80¼	Sept.30,'04	80⅝	79½	253,500
" 1st ext gold 5's........	1944	3,254,000	M & N	103½	Sept 30,'04	103½	102½	109,000
St. Louis div. 1st refundg 4s...	2001	1,859,000	A & O	85¼	Sept.21,'04	85¼	85	24,000
Dallas & Waco 1st gtd. g. 5's....	1940	1,340,000	M & N	102	Jan. 26,'04	....	....	....
Mo. K.&T. of Tex 1st gtd.g. 5's.	1942	4,505,000	M & S	104	Sept.27,'04	104¼	103	73,000
Sher.Shrevept & So1st gtd.g.5's	1943	1,689,000	J & D	105¼	Sept. 7,'04	105¼	105¼	4,000
Kan. City & Pacific 1st g. 4's...	1990	2,500,000	F & A	90	Sept. 1,'04	90	90	1,000
Mo. K. & East'n 1st gtd. g. 5's..	1942	4,000,000	A & O	111⅛	Sept.30,'04	112½	111⅛	3,000
Missouri, Pacific 1st con. g. 6's...	1920	14,904,000	M & N	122¼	Sept. 4,'04	122¼	122	4,000
" 3d mortgage 7's.......	1906	3,828,000	M & N	108	July14,'04	....	....	....
" trusts gold 5's stamp'd	1917	14,376,000	M & S	106	Sept.28,'04	106	105⅞	11,000
" registered...............			M & S	....		....	....	....
" 1st collateral gold 5's.	1920	9,636,000	F & A	106½	Aug.17,'04	....	....	....
" registered...............			F & A	....		....	....	....
Cent. Branch Ry.1st gtg. g. 4's.	1919	3,459,000	F & A	95½	Sept.30,'04	96	95⅛	31,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Little Rock & Ft. Smith 1st 7's.	1905	3,000,000	J & J	....		....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	102½	Aug. 8,'04	....	....	....
" 2d extended g. 5's.....	1938	2,573,000	F & A	115½	Sept.30,'04	115½	115½	1,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,799,000	A & O	117⅝	Sept.30,'04	118	117	37,000
" stamped gtd gold 5's..	1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
" unify'g & rfd'g g. 4's.	1929	27,563,000	J & J	93	Sept.30,'04	93⅛	91¼	309,000
" registered...............			J & J	87¼	Apr. 23,'04	....	....	....
" Riv&Gulf divs 1stg 4s.	1933	14,924,000	M & N	95⅞	Sept.26,'04	96	95¼	50,000
" registered...............			M & N	....		....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....		....	....	....
Mob. & Birm., prior lien, g. 5's...	1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
" small..........		226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's...............	1945	700,000	J & J	91	Feb. 25,'04	....	....	....
" small....................		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's.	1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's..	1927	7,000,000	J & J	125½	Aug. 3,'04	....	....	....
" 1st extension 6's......	1927	974,000	J & D	121	Apr. 23,'04	....	....	....
" gen. g. 4's.............	1938	9,472,000	Q J	94½	July 8,'04	....	....	....
" Montg'ry div.1st g.5's.	1947	4,000,000	F & A	114¾	Sept.24,'04	116½	112	124,000
St. Louis & Cairo gtd g. 4's.....	1931	4,000,000	M & S	90	Apr. 13,'04	....	....	....
" collateral g. 4's........	1930	2,494,000	Q F	92½	July 29,'04	....	....	....
Nashville, Chat. & St. L. 1st 7's...	1913	6,300,000	J & J	121½	Sept.15,'04	121½	121½	1,000
" 1st cons. g. 5's...........	1928	7,566,000	A & O	115	Sept.12,'04	115¼	115	5,000
" 1st g.6's Jasper Branch.	1923	371,000	J & J	123	Mar.28,'01	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	113½	June 9,'04	....	....	....
" 1st 6's T. & Pb...........	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat'R.R.of Mex.prior lien g.4½'s.	1926	20,000,000	J & J	102¼	Aug.12,'04	....	....	....
" 1st con. g. 4's...........	1951	22,000,000	A & O	78	Sept.30,'04	78	76½	173,000
N.O. & N. East. prior lien g. 6's..	1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
N.Y. Cent. & Hud. R. g. mtg. 3½s.	1997	70,867,000	J & J	100½	Sept.30,'04	100⅝	100	154,000
" " registered	......		J & J	100	Sept.21,'04	100	99	14,000
" debenture g. 4's	1890-1905	5,094,000	J & D	101	Aug.15,'04	....	....	....
" registered	....		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	99¾	May 17,'04	....	....	....
" registered	....		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	90	Sept.30,'04	91¼	90	96,000
" registered	....		F & A	89¾	Sept.28,'04	89¾	89¾	1,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	90	Sept.23,'04	90	89¾	19,000
" registered	....		F & A	91	Jan. 17,'03	....	...	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	105⅛	July 7,'04	....	....	....
" registered	....		J & J	102	Mar. 31,'03	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered	....	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O	....	....	....	....	....
" registered	....		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04	....	....	....
" small bonds series B	......	33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates	....		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	108¾	Sept.30,'04	108¾	108	41,000
" registered	....		J & J	107⅞	Sept.15,'04	107⅞	107	12,500
Lake Shore g 3½s	1997			100½	Sept.21,'04	100¾	100½	81,000
" registered	....	50,000,000	J & D	98	Apr. 13,'04	....	....	....
" deb. g. 4's	1928	40,000,000	M & S	99⅝	Sept.30,'04	100	99½	880,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	121	Nov.21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's	1931	3,576,000	M & S	12 ⅝	July 20,'04	....	....	....
" 5's reg	1931		Q M	121	July 20,'04	....	....	....
" 4's	1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg	....		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.	....	1,900,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	100	Sept.24,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	115½	Sept. 1,'04	115½	115½	2,000
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	119½	Aug.24,'04	....	....	....
coup. g. bond currency	....		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	106	Sept.22,'04	106	105½	13,000
" registered	....		A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575,000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	101½	Apr. 20,'03	...	....	....
" 1st 6's	1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	17,937,000	M & S	103¼	Sept. 7,'04	103⅜	102	47,000
" registered......$5,000 only.		....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,590,000	M & N	110	Sept.22,'04	110	110	5,000
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	132	Sept. 2,'03	....	...	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	127	Nov.28,'03	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132¾	Aug. 2,'04	....	....	....
Norfolk & West. Ry 1st con. g. 4s.	1996	39,710,500	A & O	102	Sept.29,'04	102¾	101¾	276,000
" registered	....		A & O	99¾	June 18,'03	....	....	....
" small bonds	....		A & O	....	....	....	....	....
" Pocahon C. & C. Co. jt. 4's	1941	20,000,000	J & D	94	Sept.30,'04	94¾	93¾	167,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	112	Aug.25,'04	....	....	....
" Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	103	Sept.30,'04	103	102	34,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
N. P. Ry prior ln ry.&ld.gt.g.4's	1997	101,392,500	Q J	105⅛	Sept.30,'04	105⅝	104⅝	340,000
" registered			Q J	104	Sept.23,'04	104	103½	54,000
" gen. lien g. 3's	2047	56,000,000	Q F	74⅝	Sept.30,'04	74¾	74	209,500
" registered			Q F	72⅝	June17,'04	....	....	....
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	97½	Aug.16,'04	....	....	....
" registered			J & D	....		....	....	....
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	123½	June28,'04	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03	....	....	....
" 2d 5's	1917	2,000,000	A & O	105½	Apr. 11,'04	....	....	....
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Aug.22,'04	....	....	....
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	94	Aug.16,'04	....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,614,000	J & J	119	Aug.31,'04	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	112½	Sept.20,'04	112½	112½	29,000
" gen. mortg. g 6's	1937	2,428,000	A & O	113½	Sept.24,'04	113½	111	64,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	110¼	Sept.21,'04	110¼	109½	8,000
Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	102½	June16,'03	....	....	....
" s. f. subsidy g 6's	1910	837,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	110	Sept.19,'04	110	109¼	2,000
" reg	1921		J & J	105¾	June25,'04	....	....	....
" gtd.3½ col.tr.reg. cts	1937	4,895,000	M & S	98	July 16,'04	....	....	....
" gtd.3½ col.tr.cts.ser B	1941	9,687,000	F & A	92¼	Dec. 28,'03	....	....	....
" Trust Co. ctfs. g. 3½'s	1916	17,332,000	M & N	99¼	Sept.16,'04	99¼	99¼	7,000
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	120	Sept.26,'04	120	120	1,000
" registered		....	A & O	110	May 8,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's	1942	900,000	J & J	....		....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A	1942	3,000,000	J & J	108¼	Aug.21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,983,000	F & A	96	Jan. 8,'04	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser. B	1940	2,240,000	J & J	102	Nov. 7,19'	....	....	....
" " " C	1940	1,479,000	J & J	98¾	Apr. 4,'04	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s								
" Series A	1940	10,000,000	A & O	110½	Aug. 3,'04	....	....	....
" Series B gtd	1942	8,786,000	A & O	110	Mar. 5,'04	....	....	....
" Series C gtd	1942	1,379,000	M & N	110	Aug.17,'01	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	102	July 6,'04	....	....	....
" Series E gtd. g. 3½s	1949	10,421,000	F & A	93½	Sept.28,'04	93½	93½	7,000
Pitts., Ft. Wayne & C. 1st 7's	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04	....	....	....
Tol Walhonding Vy.&O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J	....		....	....	....
" 4½'s series B	1933	978,000	J & J	....		....	....	....
" 4's series C	1942	1,453,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	105	Mar. 26,'04	....	....	....
con. sterling gold 6 per cent	1905	22,762,000	J & J	....		....	....	....
con. currency, 6's registered	1905	4,718,000	Q M 15	....		....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept.21,'04	111½	111½	3,000
" registered			Q M	....		....	....	....
con. gold 4 per cent	1948	2,797,000	M & N	106	Aug.28,'03	....	....	....
" ten year conv. 3½'s	1912	20,694,500	M & N	99¾	Sept.29,'04	99⅞	99	859,500
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'	....	....	....
Del.R. RR.& BgeCo 1st gtd g.4's	1936	1,300,000	F & A	....		....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	108½	Apr. 2[illegible],'04	....	....	....
Phila. Balto. & Wash. 1st g. 4's	1943	10,570,000	M & N	....		....	....	....
" registered			M & N	....		....	....	....
Pitts.Va.&Charl.Ry 1st gtd g.4's	1943	6,000,000	M & N	....		....	....	....
Sunbury & Lewistown 1st g.4's	1936	500,000	J & J	....		....	....	....
U'd N.J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept.28,04'	111	110½	10,000
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	121	May 14,'04	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04	....	....	....
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	121½	Aug. 3,'04	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	111½	Sept. 6,'04	111½	111½	1,000
" Port Huron d 1st g 5's	1939	3,325,000	A & O	112⅝	Aug.15,'04	....	....	....
Sag'w Tusc. & Hur. 1st gtd.g.4's	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'03	....	....	....
Pittsburg Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112½	Dec. 13,'03	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	114½	Sept. 2,'04	114½	114½	2,000
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	SEPTEMBER SALES. High.	Low.	Total.
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	114½	May 5,'04	....	....	....
Reading Co. gen. g. 4's............1997	66,232,000	J & J	100¾	Sept.30,'04	100⅞	99⅞	420,000
• registered..................		J & J	99½	Sept. 6,'04	99½	99½	1,000
• Jersey Cent. col. g. 4's..1957	23,000,000	......	97½	Sept.30,'04	97½	95⅞	148,000
• • registered.....	....		....		....	....	....
Atlantic City 1st con. gtd. g.4's.1951	1,063,000	M & N	....		....	....	....
Philadelphia & Reading con.6's.1911	7,304,000	J & D	....		....	....	....
• registered..................	663,000	J & D	....		....	....	....
• 7's.......................1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
• • registered..............	3,339,000	J & D	....		....	....	....
Rio Grande Junc'n 1st gtd. g.5's. 1939	2,000,000	J & D	111½	July 28,'04	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	68	June27,'04	....	....	....
• guaranteed..............	2,277,000	......	87½	Sept. 7,'04	87½	87½	4,000
Rutland RR 1st con. g. 4½ s ... 1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	....		....	....	....
Rutland Canadian 1st gtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342.......1947	3,500,000	J & J	92	Aug.26,'04	....	....	....
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J	....		....	....	....
• 2d g. 6's..................1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103¼	June 2,'04	....	....	....
• 2d g. 6's, Class C 1906	829,000	M & N	103⅝	June24,'04	....	....	....
• gen. g. 6's..............1931	3,681,000	J & J	126	Sept. 9,'04	126	126	1,000
• gen. g. 5's 1931	5,803,000	J & J	112½	Sept.24,'04	113	111¾	13,000
St. L & San F. R. R. con. g. 4's. 1996	1,558,000	J & D	96¼	Aug. 9,'04	....	....	....
• S. W. div. g. 5's........1947	829,000	A & O	100	Jan. 21,'04	....	....	....
• refunding g. 4's........1951	58,997,000	J & J	87	Sept.30,'04	87	84¾	2,257,000
• • registered...		J & J	....		....	....	....
• 5 year 4½'s gold notes.1908	5,728,000	J & D	94	Aug.15,'04	....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	122½	Aug.22,'04	....	....	....
Kan.Cy Ft.S &MRyrefggtd g4s.1936	15,977,000	A & O	86	Sept.30,'04	86	85¼	473,000
• registered...........		A & O	78½	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	98¾	Sept.30,'04	98¾	97	182,000
• 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	82½	Sept.30,'04	83	82½	34,000
• con. g. 4's... 1932	12,054,000	J & D	80	Sept.30,'04	80	78	1,102,000
Gray's Point,Term.1stgtd.g.5's.1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,171,000	A & O	112	Sept.22,'04	112	111⅝	4,000
• 1st con. 6's..............1933	18,844,000	J & J	134⅝	Sept.16,'04	134⅝	134	4,000
• 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
• 1st c. 6's, red'd to g.4½'s...	19,294,000	J & J	108⅜	July 7,'04	....	....	....
• 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's...1910	5,463,000	M & N	111¾	Sept. 6,'04	111¾	111¾	10,000
• Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103½	Sept.20,'04	103½	103½	5,000
• registered.................		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn.1std.1stg.5's..1908	4,700,000	A & O	104½	Aug.10,'04	....	....	....
• registered................		A & O	....		....	....	....
• Minn. N. div. 1stg.4's..1940	5,000,000	A & O	....		....	....	....
• registered.................		A & O	....		....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Apr. 25,'04	....	....	....
• 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
• 1st g. g. 5's........... 1937	4,000,000	J & J	116¾	Sept. 1,'04	116¾	116¾	2,000
• registered................		J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
• registered................		J & D	....		....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's. 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	83	Sept.28,'04	83½	81¾	201,000
• registered..............		A & O	....		....	....	....
• col. trust refdg g. 5's..1911	10,000,000	M & N	103	Sept.30,'04	103	102⅝	34,000
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	92¼	Aug.10,'04	....	....	....
Fla Cent & Peninsular 1st g.5's.1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
• 1st land grant ext g.5's.1930	410,000	J & J	....		....	....	....
• cons. g. 5's. 1943	4,370,000	J & J	104¾	July 18,'04	....	....	....
Georgia & Alabama 1st con.5's.1945	2,922,000	J & J	108¾	Sept.27,'04	108¾	108¾	5,000
Ga. Car. & Nthern 1st gtd g. 5's.1929	5,360,000	J & J	109	Sept. 2,'04	109	109	5,000
Seaboard & Roanoke 1st 5's .. 1926	2,500,000	J & J	....		....	....	....
Sodus Bay & Sout'n 1st 5's. gold. 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
• 2-5 year col. trust g. 4½'s.1905	30,000,000	J & D	101⅝	Sept.30,'04	101⅝	101¼	237,000
• g. 4's Central Pac. coll..1949	28,818,500	J & D	94	Sept.30,'04	94¼	93½	255,000
• • registered........		J & D	94½	Aug.17,'04	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	110	Sept.22,'04	110	109	10,000
Cent. Pac. 1st refud. gtd.g.4's..1949	70,498,000	F & A	100	Sept.29,'04	100¼	100	287,000
• registered...............		F & A	99¼	Mar. 5,'93	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
" mtge. gtd. g. 3½'s	1929	18,040,500	J & D	88¼	Sept. 22,'04	88½	87¾	87,000
" " registered			J & D					
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	107	Aug. 23,'04			
" 2d g 7's	1905	1,000,000	J & D	103	Sept. 20,'04	103	103	1,000
" Mex. & P. div 1st g 5's	1931	13,418,000	M & N	113½	Sept. 28,'04	113½	112	34,000
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	107	Aug. 1,'04			
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	105	Dec. 18,'03			
" 1st gtd. g. 5's	1933	2,199,000	M & N	103½	July 7,'04			
Houst. & T.C. 1st g 5's int. gtd	1937	5,267,000	J & J	111½	Sept. 23,'04	111½	111	6,000
" con. g 6's int. gtd	1912	2,566,000	A & O	113	Sept. 12,'04	113	113	1,000
" gen. g 4's int. gtd	1921	4,275,000	A & O	96	Sept. 19,'04	96	96	1,000
" W & Nwn. div. 1st. g. 6's	1930	1,105,000	M & N	127½	Feb. 27,'02			
Louisiana Western 1st 6's	1921	2,240,000	J & J					
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	121	May 6,'04			
" 1st 7's	1918	5,000,000	A & O	130	Apr. 26,'04			
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O					
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept. 14,'04	106	105	28,000
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01			
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	100	Jan. 8,'04			
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	87½	Sept. 30,'04	88	85¾	437,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	109⅝	Sept. 9,'04	109⅝	109⅝	9,000
" " "	1910	4,000,000	J & J	110¾	Sept. 9,'04	110¾	110½	6,000
" of Cal. 1st g 6's ser. A	1905	29,187,500	A & O	102	May 6,'04			
" " " ser. B	1905		A & O	102	Oct. 22,'03			
" " " C. & D.	1906		A & O	104¾	Sept. 14,'04	104¾	104¾	2,000
" " " E. & F.	1902		A & O	115¼	June 14,'04			
" " "	1912		A & O	116	June 29,'04			
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04			
" stamped	1905-1937	21,470,000		109⅝	Sept. 26,'04	110	109	15,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J					
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Sept. 19,'04	108	108	1,000
Tex. & New Orleans 1st 7's	1905	862,000	F & A	101	Feb. 5,'04			
" Sabine div. 1st g 6's	1912	2,575,000	M & S	109	Sept. 13,'04	109	109	3,000
" con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04			
Southern Railway 1st con. g 5's	1994	40,525,000	J & J	117¼	Sept. 9,'04	117½	117	194,000
" registered			J & J	110	Feb. 29,'04			
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	95	Sept. 8,'04	95	94½	13,000
" registered			M & S					
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	114	July 18,'04			
" registered			J & J					
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	98	Sept. 28,'04	98	97	47,000
" " registered			J & J					
Alabama Central, 1st 6's	1918	1,000,000	J & J	117½	Apr. 20,'04			
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	94½	Sept. 26,'04	94½	94½	2,000
" 2d mtg	1948	775,000	J & J	90	Sept. 27,'04	90	90	5,000
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O					
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04			
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115	Aug. 20,'04			
" con. 1st g 5's	1956	12,770,000	M & N	120¾	Sept. 20,'04	120	120	46,000
" reorg. lien g 4's	1938	4,500,000	M & S	112	July 11,'04			
" registered			M & S					
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	122½	Aug. 18,'04			
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	125	Sept. 27,'04	125	125	3,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116½	Sept. 15,'04	116½	116½	1,000
" deb. 5's stamped	1927	3,368,000	A & O	112½	Sept. 14,'04	112½	112½	25,000
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	87½	July 26,'04			
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	107⅜	Sept. 14,'04	107⅜	107⅜	3,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04			
" small			M & S					
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03			
" small			M & S					
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02			
" small			M & S					
" ser. D 4-5's	1921	950,000	M & S	110	June 28,'04			
" small			M & S					
" ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04			
" small			M & S					
" ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03			
Virginia Midland gen. 5's	1936	2,392,000	M & N	116	Sept. 27,'04	116	113½	9,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04			
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03			
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115¾	Sept. 21,'04	115¾	115¾	10,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,'0[illegible]			
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02			
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	114½	Dec. 1,'03			
" 1st con. g. 5's	1894-1944	5,000,000	F & A	117½	Sept. 29,'04	117½	117½	3,000
" gn. refdg. sg. fd. g. 4's	1953	18,000,000	J & J	100½	Sept. 8,'04	100½	100	20,000
" " " registered			J & J					

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	SEPTEMBER SALES. High.	Low.	Total.
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,741,000	M & S	100	Sept. 2,'04	100	100	1,000
• 1st gold 5's	2000	22,234,000	J & D	120⅛	Sept.28,'04	120⅛	119⅛	12,000
• 2d gold income, 5's	2000	963,000	MAR.	93	Sept.28,'04	93	88	85,000
• La. Div.B.L. 1st g.5's	1931	4,241,000	J & J	109⅛	Aug. 5,'04	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106⅛	Mar. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114	Sept.13,'04	114	114	3,000
• 1st M. g 5's West. div	1935	2,500,000	A & O	111	May 31,'04	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	107	Sept. 8,'04	107	107	1,000
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96	Aug.26,'04	....	....	....
Toledo, Peoria & W. 1st g 4's	1917	4,900,000	J & D	90⅛	Sept.26,'04	90⅛	90	11,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	90⅛	Sept.26,'04	90⅛	87	98,000
• registered			J & J	....	....	....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	80¼	Sept.30,'04	82⅛	77⅛	397,000
• registered			A & O	....	....	....	....	....
Toronto,Hamilton&Buff 1st g 4s	1946	3,280,000	J & D	95¼	Sept.16,'03	95¼	94	3,000
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	111½	Aug.13,'04	....	....	....
• 1st ref. g. 4's	1952	700,000	A & O	94⅞	Sept.29,'04	94⅞	91¾	6,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105	Sept.30,'04	105⅜	104⅛	394,500
• registered			J & J	104	May 24,'04	....	....	....
• 1st lien con. g. 4's	1911	87,257,000	M & N	106¾	Sept.30,'04	107	103⅜	11,141,000
• registered			M & N	105½	Sept.28,'04	105½	105½	1,000
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	102¼	Sept.29,'04	103	102¼	72,000
Oreg. Short Line Ry. 1st g. 6's	1922	14,931,000	F & A	124	Sept.22,'04	124	122	14,000
• 1st con. g. 5's	1946	12,328,000	J & J	117	Sept.27,'04	117½	116¾	101,000
• 4's&participat'g g.bds	1927	41,000,000	F & A	99¾	Sept.30,'04	99¾	96¼	1,696,000
• registered			F & A	95¼	Apr. 13,'04	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
• g. 5's	1926	1,802,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	106	Sept.27,'04	106	106	1,000
Wabash R.R. Co., 1st gold 5's	1939	33,001,000	M & N	118	Sept.30,'04	118¼	117⅝	93,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	108¾	Sept.30,'04	109	108	39,000
• deben. mtg series A	1939	3,500,000	J & J	95	July 21,'04	....	....	....
• series B	1939	26,500,000	J & J	66	Sept.30,'04	66½	62¾	5,308,000
• first lien eqpt. fd.g. 5's	1921	2,755,000	M & S	102	Jan. 13,'04	....	....	....
• 1st lien 50 yr.g.term4's	1954	1,418,000	J & J	....	....	....	....	....
• 1st g.5's Det.&Chi.ex	1940	3,349,000	J & J	110	Sept.26,'04	110	109¾	12,000
• Des Moines div. 1st g.4s	1939	1,600,000	J & J	90	Feb. 20,'04	....	....	....
• Omaha div. 1st g. 3½s	1941	3,000,000	A & O	83⅝	Aug.11,'04	....	....	....
• Tol. &Chic.div.1stg.4's	1941	3,000,000	M & S	98	Mar. 17,'02	....	....	....
St.L.,K.C.& N.St.Chas.B.1st6's	1908	463,000	A & O	109¼	Mar. 13,'03	....	....	....
Western Maryland 1st 4's	1952	28,760,000	A & O	86¾	Sept.30,'04	87	85¾	233,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	117¾	Sept.29,'04	117¾	117⅝	22,000
• gen g. 3-4's	1943	9,789,000	A & O	96⅝	Sept.19,'04	96⅝	96	13,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	112	Sept.20,'04	112	112	1,000
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112	Apr. 18,'04	....	....	....
• Wheeling div. 1st g. 5's	1928	894,000	J & J	110¼	May 17,'04	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
• 20 year eqptmt s.f.g.5's	1922	2,152,000	J & J	100½	Aug. 1,'04	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	90½	Sept.30,'04	90½	89⅛	269,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	91	Sept.30,'04	91	89⅛	255,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....	....	....	....	....
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	106⅜	Sept.27,'04	106¾	106	82,000
• 1st ref. conv. g. 4's	2002	10,000,000	J & J	80¾	Sept.30,'04	82	79¾	1,623,000
• • registered			J & J	....	....	....	....	....
• City R. R. 1st c.5's1916.	1941	4,373,000	J & J	110	Aug.22,'04	....	....	....
• Qu. Co. & S. c. gd.g. 5's	1941	2,255,000	M & N	106	Sept. 7,'04	106	106	5,000
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	107⅝	Sept.30,'04	108	107¼	61,000
• stamped guaranteed				106¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	90⅞	Sept.30,'04	91	90⅝	89,000
• stamped guaranteed			.....	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	87	Sept.30,'04	89	86⅛	335,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	8,355,000	J & J	98	Sept.24,'04	98⅛	97⅛	22,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97⅛	June13,'19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....	....	....	....	....
Louisville Railw'y Co.1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....

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Metro. St. Ry N.Y.g.col. tr.g.5's.1997	12,500,000	F & A	116⅛	Sept.30,'04	116⅛	115	43,000
" refunding 4's..........2002	15,134,000	A & O	92⅛	Sept.30,'04	92⅜	91¼	324,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	116⅛	Sept. 1,'04	116½	116⅛	5,000
" registered		J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave.1st gtd g 5's, 1993	8,000,000	M & S	118¾	Aug. 8,'04	....	....	....
" registered..................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	115⅝	Sept.20,'04	115⅝	115⅛	12,000
" registered..................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	96⅛	Sept.30,'04	96¾	96⅛	324,000
" registered..................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118⅛	Sept.19,'04	118⅛	118⅛	3,000
Met. West Side Elev.Chic.1stg.4's.1938	9,808,000	F & A	94	June 2,'04	....	....	....
" registered..................		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's....................1919	4,050,000	J & J	110	June26,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109⅛	Dec. 14,'99	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	82⅛	Sept.16,'04	82½	81⅞	20,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	84⅞	Sept.28,'04	85	84⅛	558,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	102⅛	Sept.26,'04	102½	101¼	20,000
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	63⅛	Sept.19,'04	63½	63⅛	1,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	111	Sept.30,'03	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,655,000	A & O	80	Sept.23,'04	81	80	17,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuildng & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	90⅛	Sept.26,'04	90½	90¼	68,000
" registered..................		F & A	....	....	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station. & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113⅛	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's................1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's................1908–1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's................1903–1918	1,000,000	F & A	....	....	....	....	....
" H 4's................1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's................1904–1919	1,000,000	F & A	....	....	....	....	....
" J 4's................1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's................1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds......................	....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000	......	99	Sept.28,'04	100	99	6,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	85¼	Sept.29,'04	85½	84	70,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	87¾	Sept 24,'04	88	87¾	3,000
Am.Thread Co..1st coll.trust 4's.1919	6,600,000	J & J	83	Sept.30,'04	83	82½	11,000
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	73⅞	Sept.30,'04	77⅛	70¾	27086,000
" registered..................		F & A	72⅜	Sept. 6,'04	72⅜	72	7,000
Dis. Secur. Cor. con. 1st g. 5's....1927	13,379,000	A & O	73⅜	Sept.30,'04	74½	66½	2,499,000
Dis. Co. of Am. coll. trust g 5's..1911	2,590,000	J & J	99	Sept.16,'03	....	....	....
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....
Internat'l PaperCo. 1st con.g 6's.1918	9,724,000	F & A	109¼	Sept.30,'04	109¼	108¾	66,000
Int. Steam Pump 10 year deb. 6's.1913	2,500,000	J & J	102⅞	Sept.30,'04	102⅞	101	34,000
Knick'r'ker IceCo.(Chic)1st g 5's.1928	1,937,000	A & O	93	Feb. 24,'03	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	102	Sept.28,'04	102¼	101¼	45,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,853,000	J & J	90	Sept 30,'04	90½	90	7,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	64	Sept.27,'04	64	64	5,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	40⅛	Sept.27,'04	41¼	39	68,000
Standard Rope & Twine inc.g.5s..1946	6,806,000	......	2½	Sept.30,'04	4¼	2	284,000
United Fruit Co., con. 5's........1911	2,446,000	M & S	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

Name.	*Principal Due.*	*Amount.*	*Int't paid.*	Last Sale. *Price.*	Last Sale. *Date.*	September Sales. *High.*	September Sales. *Low.*	September Sales. *Total.*
U. S. Env. Co. 1st sk. fd. g. 6's	1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6s g s. fd deb.	1915	5,280,000	M & N	112	Sept. 22,'04	112⅛	112	15,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	70	Sept. 8,'04	70	70	3,000
U. S. Realty & Imp. con. deb. g. 5's	1924	13,098,900	......	92	Sept. 30,'04	92	81½	1,174,500
U. S. Shipbldg. 1st & fd g. 5's Ser. A	1932	14,500,000	J & J	28	Feb. 5,'04	....	....	....
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U. S. Steel Corp. 10-60 yr. g. sk. fd 5's	1963	....	M & N	82¾	Sept. 30,'04	82⅞	79⅛	16,223,000
" " " reg.	1963	170,000,000	M & N	83	Sept. 30,'04	83	79¾	18,500
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g. s. fd. g 5's	1943	5,355,000	F & A	100¼	Sept. 23,'04	100½	100	111,000
" conv. deb. g. 5's	1911	1,710,000	F & A	80	Sept. 14,'04	80	79	13,000
" " registered			F & A	....	....	....	....	....
" " Trust Co. certfs		12,358,000	......	77	Sept. 30,'04	78⅛	73	131,000
Col. C'l & I'n Dev. Co. gtd g. 5's	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	105	Mar. 9,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's	1919	949,000	A & O	102½	July 26,'02	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	....	....	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	3,000,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s	1928	1,146,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	835,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's	1951	3,000,000	J & J	92½	Sept. 14,'04	92½	92½	16,000
" Tenn. div. 1st g. 6's	1917	1,182,000	A & O	110	Sept. 24,'04	110	110	6,000
" Birmingh. div. 1st con. 6's	1917	3,637,000	J & J	110	Sept. 13,'04	110	110	3,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C & I Co. gtd. g. 6's	1910	2,729,500	F & A	104	Sept. 30,'04	104	102¾	5,000
Utah Fuel Co. 1st s. f. g. 5's	1931	866,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,433,000	M & S	72	Sept. 30,'04	72	68½	26,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union Gas Co. 1st con g. 5's	1945	14,498,000	M & N	115⅛	Sept. 27,'04	116⅛	115⅛	19,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	70¼	Sept. 29,'04	70¼	70	19,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Consolidated Gas Co., con. deb. 6's	1909	12,823,500	J & J	188	Sept. 30,'04	188	178	922,500
Detroit City Gas Co. g. 5's	1923	5,608,000	J & J	97½	Sept. 29,'04	98	97	14,000
Detroit Gas Co. 1st con. g. 5's	1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co. of N. Y. 1st con. g. 5's	1932	3,500,000	M & S	112	Nov. 11,'03	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	90½	July 7,'04	....	....	....
Grand Rapids G. L. Co. 1st g. 5's	1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	105¼	Aug. 11,'04	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	....	....	....	....	....
Kings Co. Elec. L. & Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's	1997	5,010,000	J & J	122¼	Aug. 30,'04	....	....	....
Edison El. Ill. Bkln 1st con. g. 4's	1939	4,275,000	J & J	94⅛	Sept. 23,'04	94⅛	93¼	6,000
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	109⅛	Sept. 22,'04	109½	108¾	10,000
" small bonds				97½	Nov. 1,'95	....	...	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	90¼	July 30,'04	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N. Y. Gas EL. H & P Co 1st col tr g 5's	1948	15,000,000	J & D	110	Sept. 30,'04	110	109⅛	119,000
" registered			J & D					
" purchase mny col tr g 4's	1949	20,927,000	F & A	94⅛	Sept. 28,'04	94¾	94	165,000
Edison El. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	105¾	July 29,'04	....	....	....
" 1st con. g. 5's	1995	2,156,000	J & J	120½	June 27,'04	....	....	....
N. Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	101	May 11,'04	....	....	....
N. Y. & Richmond Gas Co. 1st g. 5's	1921	1,000,000	M & N	100	Mar. 15,'04	....	....	....
Paterson & Pas. G. & E. con. g. 5's	1949	3,317,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	101½	June 14,'03	....	....	....
" 2d gtd. g. 6's	1904	2,500,000	J & D	101¾	Aug. 2,'04	....	....	....
" 1st con. g 6's	1943	4,900,000	A & O	125¾	Sept. 8,'04	125¾	125¾	40,000
" refunding g. 5's	1947	2,500,000	M & S	103	Apr. 9,'04	....	....	....
" refuding registered			M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	107	July 28,'04	....	....	....
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	106½	Sept. 26,'04	106½	105⅛	44,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	102¼	Sept. 10,'04	102¼	102¼	10,000
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	101½	Aug. 29,'04	....	....	....
" registered		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's	1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's	1950	5,380,000	J & D	....	....	...	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	SEPTEMBER SALES. *High*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	38,000,000	J & J	94	June30,'04	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	10,674,800	Q & J	100½	Apr. 8,'02	....	....	....
" registered			Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	1,823,000	M & N	109¾	June22,'04	....	....	....
" registered			M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'08	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	110	Sept.26,'04	110⅛	110	10,000
" fundg & real estate g.4½'s.	1950	17,000,000	M & N	105⅝	Sept.29,'04	106	105	160,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107	June20,'04	....	...	....
Northern Tel. Co. gtd fd.4½'s.	1934	1,500,000	J & J	103	July26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
United States con. 2's registered	1930		Q J	107¼	104¾	....	....	......
" con. 2's coupon	1930	542,909,950	Q J	106¼	105¼	....	....	......
" con. 2's reg. small bonds.	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18		Q F	106¾	104⅝	....	....	......
" 3's coupon	1908-18	77,135,300	Q F	108	105¼	105⅝	105⅝	25,000
" 3's small bonds reg	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	107⅛	104⅞	105⅝	105	500
" 4's registered	1907	156,591,500	J A J&O	108¼	106⅝	....	....	......
" 4's coupon	1907		J A J&O	108	106⅝	....	....	......
" 4's registered	1925	118,489,900	Q F	132⅞	131⅞	131⅞	131⅞	81,000
" 4's coupon.	1925		Q F	134	131⅛	....	....	......
District of Columbia 3-65's	1924		F & A	....	....	....	....	......
" small bonds		14,224,100	F & A	....	....	....	....	......
" registered			F & A	....	....	....	....	......
Philippine Islands land pur. 4's	1914-34	7,000,000	Q F	111¾	110¼	110¼	110¼	2,000
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	102¾	102	102¼	102¼	4,000
" " small		....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	105	102¼	....	....	......
" " small bonds								
Missouri fdg. bonds due	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	102⅛	101	102¼	102¼	1,000
" small			J & J					
" 6's	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds	1866-1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds	1892-1898	624,000	J & J	....	....	....	....	......
" "			A & O	....	....	....	....	......
" Chatham R. R.		1,200,000	A & O	....	....	....	....	......
" special tax Class 1		....	A & O	....	....	....	....	......
" " Class 2		....	A & O	....	....	....	....	......
" " to Western N. C. R.		....	A & O	....	....	....	....	......
" " Western R. R		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R.		....	A & O	....	....	....	....	......
" " Western & Tar. R.		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's	1913	13,122,000	J & J	97	95¼	....	....	......
" registered		6,079,000	J & J	....	....	....	....	......
" small bond		362,200	J & J	95	95	....	....	......
" redemption 4's	1907	469,000	A & O	....	....	....	....	......
" 4½s	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s	1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Virginia fund debt 2-3's of 1991	18,054,809	J & J	96¼	91⅛	96¼	96¼	2,000
" registered		J & J	93	93	93	93	5,000
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	8	6½	6¾	6⅛	45,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on the-Main, Germany, bond loan 3½'s series 1 1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente ...	2,310,000,000	Q M	....	....	....	....	......
Two rubles are equal to one dollar.	(Rubles.)						
Quebec 5's 1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200	£22,076,220	......	104⅛	97⅛	....	....	......
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Bentley.—Fred. A. Bentley, President of the Bank of Jamestown, N. Y., died August 24.

Birely—Samuel M. Birely, President of the Thurmont (Md.) National Bank, and Vice-President of the Smithburg (Md.) Bank, died September 10.

Dean.—A. L. Dean, President of the Tipton (Iowa) Savings Bank, died August 29.

Doolittle—S. S. Doolittle, Vice-President of the City National Bank, Susquehanna, Pa., died September 7, aged sixty-three years.

Fant.—William S. Fant, President of the Deposit Bank of Pearce, Fant & Co., Flemingsburg, Ky., died September 2, aged seventy-nine years.

Gardner.—Hiram E. Gardner, Vice-President of the Farmers' National Bank, Springfield, Ill., died August 18, aged seventy-three years.

Gormley—J. B. Gormley, Jr., Cashier of the First National Bank, Bucyrus, Ohio, died September 20, aged thirty-six years.

Hickok.—Geo. S. Hickok, who had been Cashier of the National Park Bank, New York, for sixteen years, died September 27 in his seventy-fifth year. Mr. Hickok was an employee and officer of the bank for almost fifty years, having entered the institution shortly after its organization. He retired from active connection with the bank a few months ago.

Holmes—John G. Holmes, a member of the banking firm of N. Holmes & Sons, and one of the prominent business men of Pittsburg, Pa., died September 3, aged fifty-seven years.

Huber.—Edward Huber, President of the Marion (Ohio) National Bank, died August 26, aged sixty-nine years. He was largely interested in manufacturing, in which he had been highly successful.

Leonard—S. W. Leonard, President and founder of the Farmers' Bank, Eddyville, Ky., and one of the prominent bankers of the State, died August 24. Mr. Leonard was a native of Nashville, Tenn., and was sixty-one years of age at the time of his death.

Loomis.—Abner Loomis, President of the Poudre Valley Bank, Fort Collins, Colo., died August 23. He was born in New York in 1829, and went to Colorado in 1860.

McClure.—John T. McClure, Cashier of the Tobacco Growers' Deposit Bank, Crittenden, Ky., died September 14.

McKell.—Thomas G. McKell, President of the Central National Bank, Chillicothe, Ohio, died September 16, aged fifty-six years.

Middlebrook.—William N. Middlebrook, Assistant Secretary of the City Savings Bank, Bridgeport, Ct., died September 3.

Nickerson.—Charles W. Nickerson, President of the Sunbury (Pa.) Trust and Safe Deposit Co., died August 23, aged sixty years.

Possons.—N. S. Possons, President of the Equity Savings and Loan Society, Cleveland, Ohio, died September 12. He was born in Albany county, N. Y., in 1844. For many years he had been identified with important business enterprises in Cleveland.

Ream.—O. B. Ream, Cashier of the Somerset (Ohio) Bank, since its organization, died September 8, aged about forty-three years.

Rech.—Jacob Rech, President of the National Security Bank, Philadelphia, Pa., died September 9, aged seventy-six years.

Ridgeley.—Dr. Henry Ridgeley, President of the Farmers' Bank, Dover, Del., died September 17. He was born in Dover April 15, 1817, and had been President of the bank since 1846. Dr. Ridgeley was prominent in business and civic life and was one of Delaware's wealthy men.

Spencer.—J. S. Spencer, President of the Commercial National Bank, Charlotte, N. C., died September 9.

Taft.—Henry W. Taft, President of the Third National Bank, Pittsfield, Mass., since its organization, March 26, 1881, died September 22, aged eighty-six years.

Toby.—Edward Toby, President of the Canal Bank and Trust Co., New Orleans, La., died September 4, aged seventy-five years.

Tuckerman.—Charles S. Tuckerman, Vice-President and Treasurer of the Old Colony Trust Co., Boston, was seized with a fatal attack of apoplexy August 27. He was descended from one of the old families of Salem, Mass., his father having been one of the prominent citizens of Salem. Mr. Tuckerman was educated at Harvard, and was interested in financing the Atchison, Topeka and Santa Fe Railway system, and in 1890, on the organization of the Old Colony Trust Co., of Boston, became Vice-President and Treasurer. He was an able financier and was also socially prominent.

Unger.—Emil Unger, First Vice-President of the Yorkville Bank, New York city, died August 19. He was born in Germany in 1837, and came to New York in 1852. He was one of the organizers of the Yorkville Bank.

Willetts.—Joseph C. Willetts, Vice-President of the Skaneateles (N. Y.) National Bank, died August 31, aged fifty-eight years.

Williams.—Oliver Williams, President of the Cement National Bank, Siegfried Pa., died September 17, aged seventy-four years.

Wiggenhorn.—E. A. Wiggenhorn, Sr., President of the Farmers and Merchants' Bank, Ashland, Neb., died September 23.

Wright.—John D. Wright, President of the Bank of Charlestown, Ind., died September 8, aged sixty-five years.

Banking and Interest in Honduras.—Honduras has but one bank, the Banco de Honduras, established in 1899. The bank rate of interest on loans is 18 per cent. per annum, interest deducted in advance from the amount of the loan. The following data, obtained from 141 of the principal towns of the Republic, illustrate in the most emphatic manner the opportunity and necessity for other banks to be established: The monthly rate in 7 towns is 1 per cent.; in 9 towns, 1½ per cent.; in 82 towns, 2 per cent.; in 13 towns, 3 per cent.; in 4 towns, 4 per cent.; in 3 towns, 5 per cent.; in 18 towns, 6 per cent.; in 1 town, 10 per cent., and in 4 towns, 12½ per cent.

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THE MANIPULATION OF CAPITAL by trusts to place on the market and sell to the public stocks and securities supposed to represent the real value of property used in various forms of industry, is no doubt open to some criticism. But many of the accounts purporting to give the inside history of such combinations as the steel, the copper or the oil trust, seem to bear in themselves the marks of gross exaggeration. They do not appear to reveal anything so awful as the headlines and the running comment of exclamatory indignation would seem to wish readers to believe. The victims of the machinations of the wicked financiers are very often a lot of equally wicked capitalists, who went into the game with as much desire to outwit and do their rivals as the latter manifested. Even that portion of the so-called innocent outside public, upon whom watered stocks, it is alleged, have been unloaded, need not have entered the speculative arena unless they chose to do so. If capitalists choose to use their capital in speculative contests with others like themselves, it seems to the disinterested spectator that the losers are not entitled to any great amount of sympathy from the great body of citizens.

It was recognized as an axiom, long before the beginning of the twentieth century, that the victory generally belonged to the heaviest battalions, and that the small capitalist could not hope to come out equal in a fight with the large. The earthen pot never has a chance with the one made of brass. That some grow rich and others become poor has been the history of the world from the beginning. And there have always been widows and orphans to suffer from the failure of financial plans. But it does not seem as if the loudest howling has been done by the small investors who confided too much in the outcome of some of the great financial combinations. The outcry seems chiefly to have emanated from those who were outwitted in the division of the alleged spoils, but who appear to be still far from ruined, if anything can be judged from the manner in which

they subsidize the printing press to announce their tale of woe to a generally unsympathetic or, at least, unimpressed public. If there is anything more ridiculous than another, in the eyes of the average man, it is the individual who, relying on his strength and resources, has sought to overcome opponents in the field of speculation, using presumably every art in the game, and who, when defeated at his own game by greater skill and craftiness, becomes hysterical and appeals to the public, shouting the secrets of the prison-house and publishes just how he was outwitted.

When great combinations of capital seek to overcome rivals or to make themselves safe from attack, let the ordinary investor keep out, or only invest what he is willing to risk.

Notwithstanding all the outcry against the so-called trusts, and the attempt to make political capital by trying to rouse the people against them, there is no reason to think that they can in any way trouble the honest, thrifty individual citizen who undertakes to make a living and save his money in the same way that men have always done. There is nothing at the present time which prevents a citizen from being fully protected by law in all rational and honest attempts to make money. The rule, however, still holds that there is competition in seizing opportunities for investment. The man with a hundred dollars finds more competitors who have that sum to invest, than the man with one thousand dollars. There are, however, to-day more opportunities for the small investor than there were fifty years ago. There are Savings banks, trust companies, banks of all kinds that will take care of the smallest sums with honor and a sure return. The banks have been accused of using the money so entrusted to them to aid and abet great combinations of capitalists. But in all the much censured operations of the so-called trusts prior to the dull period of 1903, the banks held their own. The banks did not fail, but they did put the screws on the defeated capitalists and made them pay their loans, often at great sacrifices. Those who intrusted their money to the banks lost nothing as long as they continued depositors.

In fact, many of the statements made in the papers professing to give the inside history of financial deals which have attained notoriety, either through their magnitude or the outcries of self-immolated victims, make statements about the connection of banks with these deals that, if true, would have involved the banks concerned in ruin, and nothing has transpired to show any such result. The alleged connection of the banks with speculation is no more than the necessary consequence of their becoming the custodians of the money of speculators, just as they accept the accounts of business men who do not indulge in speculation.

The man or combination of men who lose in a speculative combat ought, at least, to have the gameness of the common gambler who regards it as bad form to show distress at his losses. As far as the general public is concerned, the maxim of the burnt child will, no doubt, illustrate its future course. It will have less confidence in great names in finance, and will be more careful in the selection of its agents. In the case of many of the stocks which have fallen under animadversion it remains to be seen whether they will not ultimately be worth all that was promised.

THE ANNUAL REPORT OF THE TREASURER for the fiscal year ending June 30, 1904, shows the net revenues of the United States to have been $541,621,749, a decrease of about twenty millions as compared with the fiscal year ending June 30, 1903. The expenditures for the last fiscal year were $582,402,321, an increase of $76,303,314 over those of the previous year. The deficiency in the revenues to meet expenditures is $41,770,551.

If it had not been for the extraordinary expense incurred on account of the Panama Canal and the St. Louis Fair, there would have been a surplus of nearly thirteen millions for the year. The money advanced by the Treasury for the purposes of the St. Louis Fair has, since June 30, been nearly all reimbursed and will go to swell the receipts for the next fiscal year.

The country has reason to be congratulated on the showing made. The period covered by the report began with the country suffering from the effects of the dull period of 1903, and for many months, in fact almost throughout the whole fiscal year, there was great apprehension lest the whole fabric of the industrial prosperity of the country might be affected by the shock of the stock panic. The early months of 1903 were destitute of any great promise that the country would recover from the check and be able to resume something like its former place. The falling off in customs of some twenty-three millions indicates that the crisis was no unimportant one. But notwithstanding the temporary lowering of the pulse of enterprise and prosperity, there came the unavoidable payments on account of the Isthmian canal, forty millions to French creditors and ten to the representatives of Panama. These payments principally went out of this country with no return. The result of the Government transactions for the fiscal year is therefore much more favorable than might have been expected. The deficiency of course may give cause for cavil on the part of those who politically oppose the present Administration, but in proportion to the gross sum of the revenues and expenditures, considering the exceptional character of a considerable portion

of the latter, the deficiency is of very little importance. The figures rather show that even during a period of less than normal prosperity the Government under its present taxation, apart from extraordinary payments, would have had a surplus.

There are those who profess to stand aghast at the rapid increase in the gross sums recorded as revenue and expenditure. Over five hundred millions, on both sides of the account, when a decade ago it was only three hundred! When is this thing to stop? is asked. But this sort of apprehensive wonder has been known ever since the records of revenue and expenditure have been kept. The growth of the United States has been such as to demand and keep pace with the increased demands for Government purposes. Taxation on account of the Federal Treasury is more lightly felt than in any other country of the same rank. On the basis of the comparatively satisfactory showing for the fiscal year 1903–1904, there may be predicted for the fiscal year 1904–1905 conditions of revenue and expenditure still more satisfactory. The signs of reviving business during the last half of 1904 are evident, and there is every reason to believe that notwithstanding some drawbacks the prospects are favorable that the coming year will prove auspicious to business and consequently to the finances of the Government. It is not to be denied that the expenditures of the Government are no longer threatened as they were last year with such unexampled payments as those made on account of the Panama canal. Expenditures will be made no doubt on that account, but the means for them as they become necessary will be derived from the special bond issues provided for the purpose. These expenditures will be made not out of the country but chiefly within it for material and supplies, which so much for so much will encourage home production and enterprise. The bond issues, whatever they amount to, will increase the issues of the National banks, as unless the banks take these bonds it will be generally agreed that they cannot, bearing only two per cent. interest, be placed on the market at par. That they will be taken by the banks is assured as well as any future contingency can be, by the fact that unless they are so taken the twos now held by the banks might be seriously depressed in price.

The canal expenditures, next year, instead of proving a depressing element will tend to encourage monetary conditions conducive to a prosperous season. Nothing need be said as to the chances of 1905 as a successful agricultural year, further than that the last three years have been below the average and certainly the fourth ought to be better; not but that agriculture has in the aggregate been prosperous during 1901, 1902 and 1903, but it has not met expectations considering the effort put forth and the acreage involved.

There remains to be considered the possibility of a change of

Administration. This hardly seems likely—but even if it should take place there would be little effect on Government revenues and expenditures, certainly not for more than a year to come. The revenues and expenditures of the United States are, it is believed, beyond the control of any party. They will go on increasing with the growth of the country, and no Administration will be strong enough to curb the demands of continued growth. The Government is always controlled by the situation. Ideals of the best possible government are usually found two narrow for practical application to the government of nations so great that like great forces of nature they cannot be adequately grasped in their entirety by even the greatest minds. The history of administrations pledged to this or that policy has shown how little chance the policy had of success, against the inertia of previously fixed conditions. It is probable that the revenues of the United States will continue to increase, and that expenditures will keep step with them, and that the apprehensive warnings will continue to be heard without avail.

THE WEEKLY STATEMENT of the associated banks of New York city is often criticised as being an untrustworthy guide as to the real conditions of the central money market. Dissatisfaction is expressed over inconsistencies that are continually becoming obvious under the present system of reporting the weekly averages of the associated banks. When, for instance, large reductions in loans are shown with no corresponding gains in cash, it is plain that the statement must be imperfect in some particulars.

The truth seems to be that the associated banks, the averages of which appear in the weekly statement, no longer represent anything like a totality of the financial institutions whose operations ought to be included in the weekly averages in order to present anything like a reliable statement of banking conditions in the monetary metropolis. Since the controversy arose between the trust companies and the associated banks over the reserves to be maintained by the former before they are permitted to enjoy clearing-house privileges, the operations of the trust companies in their relations with the banks have been more than ever in the dark. It is evident that by transfers of loans and deposits from the banks to the trust companies, and *vice versa*, the amounts of deposits and loans appearing in the weekly averages of the clearing-house banks may show great changes, without affecting the cash held by the banks. If a reduction of loans shown by the banks were brought about by actual payment of such loans, it is reasonable to expect the cash to show a corresponding increase. But when the trust companies simply take over and carry

the loans for the banks, there is an important difference. The effect is merely a reduction of the deposits of the trust companies with the banks. As far as the banks themselves are concerned, this makes little difference, but the public has come to rely upon the weekly statements of averages as a complete showing of the resources of the money market. This statement in the United States is looked for as anxiously and studied as eagerly as the statements of the Bank of England in the British Empire. The more difficult and puzzling it becomes the more unfortunate it is for the general public, and the greater the advantage for those so situated as to have opportunities to obtain what is known as inside information. Probably the banks themselves see an advantage in not having too clear a light thrown upon all their operations. The influence of the trust companies upon the money markets is perhaps as great as that of the banks, but as all their operations are carried on without any authorized published summary of them, as is given weekly in the case of the associated banks, there is no reliable guide to give the public any idea of what is the real monetary situation at the end of each week.

The growth of financial institutions, trust companies and private banking firms, as well as of banks outside of the clearing-house association, within the last decade has been so great as to cause the operations of these institutions, which as far as the public is concerned work in the dark, to be of more importance than the clearing-house banks which ostensibly are willing to give weekly glimpses of their condition. But to a fairly approximately accurate idea of monetary conditions the working of the one body of financial institutions is as important as that of the other. They are as mutually interdependent as the double stars told about by the astronomer. In some of the stellar systems a dark star is said to revolve around a bright one, periodically obscuring the light of its partner. Just how it is done it is impossible to tell, so incomplete and imperfect are the means of astronomical investigation. The operations of the monetary institutions which do not make reports are constantly affecting those of the regularly reporting banks. And yet it is even more impossible to form a correct judgment as to the real effect than it is for astronomers to give exact reason for the phenomena of the fixed stars. The weekly averages are derived from a small part only of the financial transactions of the great monetary centre. The erratic movements shown in the weekly statements too plainly reveal the importance of the disturbing influences. Perhaps the financial world is contented with these conditions. Some people like to be employed in working out puzzles. Whether it conduces to the advantage of the great investing public or to the security and confidence of business men and ultimately to the advantage of New York as a financial centre, is another question.

The difficulties of the present weekly statement of banking averages suggest that it be supplemented by similar information from the financial institutions outside the clearing-house. It is believed by many that legislative action should compel a showing on the part of the trust companies. But probably it had better be left to the trust companies themselves.

THE PROBABILITY OF GOLD IMPORTS a little later on has been the subject of much speculation. Those who think the outlook unfavorable to such importations point to the approaching maturity this month (November) of "finance bills." These bills for money borrowed in Europe by our bankers now form an important factor in international finance. It is, however, almost impossible to make any calculation about them approaching accuracy, because their amount at any given time is a mystery. The transactions which give rise to them are conducted privately, and often information such as is obtainable may be given to effect unknown purposes in the continuous struggle for financial profit. These bills may be made simultaneously on both sides; that is, foreign bankers may borrow in our markets and at the same time our bankers, or some of them, may be borrowing abroad. Time was when all important business of our financiers was confined to their own country. Now there is hardly any definite boundary between home and foreign business. When experts now a days make forecasts or estimates about the money markets here, they find themselves astray under existing circumstances, when formerly they were able to estimate rather closely. The failure to make the prediction hit with the facts as they materialize is ascribed to these mysterious relations between bankers and dealers at home and abroad. It is becoming almost impossible to draw international lines in finance.

But even if it were known that a certain amount of money borrowed by our financiers abroad was due at a certain date, and this knowledge is far from being positive, the manner of payment or whether the loans would not be extended, would affect results. Indebtedness of this kind may be extended, or offset against similar indebtedness the other way; it may be paid in securities, all according to circumstances and the conditions of the money markets. If our bankers who have these bills to pay draw the money necessary for the purpose directly from home markets, then there might be some reason for thinking that there would be no necessity for those who purchase American manufactures, breadstuffs, cotton, etc., to send over gold to square the account. They could instead draw against the proceeds of these maturing bills as far as they went. But if European markets prefer to leave their money here or to accept secur-

ities for it, the result would be different. In fact, unless all the transactions of the firms doing an international business, not only in the United States but in foreign countries, could be taken into account, all predictions as to the movement of gold between countries are nothing more nor less than guesses founded on real or supposed information which, necessarily, must be far from complete.

The flow of gold to the United States usually taking place in the latter part of the calendar year when there has been a foreign demand for products and manufactures, comes sometimes earlier and sometimes later. It has begun in September and sometimes has been delayed to December and even deferred to the early months of the following year. This season has been a late one, and it would not be surprising that the usual settlements, if they prove to be favorable to this side, if made at all, may be deferred to a later period than usual. But there is the contingency that they may not be made at all. If foreign money markets should want to retain the whole or a portion of the balance, they might, as has been done before, borrow it for a time. In fact, it seems much easier to form an idea of the nature of foreign settlements by reasoning back from gold movements after they occur, than to deduce gold movements from the reports of exports and imports and the supposed operations in finance bills. Notwithstanding that one of the boasts of modern times is the publicity of banking operations, the real fact is that the most important moves in the financial game are still made in the deepest secrecy. Not but that publicity has made great advances, but it applies only to the old conditions of banking. It does not cover the subject of international banking, which is so far-reaching in its effects on the money markets of all countries.

Some slight exports of gold occurred in the latter part of October, caused by the easy rates for money in New York and the disturbed conditions in some of the European markets.

THE EXECUTIVE COUNCIL of the American Bankers' Association consists of thirty elected members, divided into three groups. As one-third of the thirty are elected each year, the three groups, each consisting of ten members, retire from office in one, two and three years. In addition to these elected members the council also contains sixteen other members, consisting of the fourteen ex-presidents of the association, together with the president and first vice-president. The convention of the association at New Orleans in 1902 so amended the constitution that the ex-presidents of the association become ex-officio permanent members of the council. An ex-president is evolved every year, and there are now fourteen ex-presi-

dents living, including those who served both before and since 1902. In the course of time some will naturally go out of the banking business and probably will no longer serve on the council.

It is easy to calculate that after a given number of years the portion of the council made up of the ex-presidents may become a majority. The only checks on this are removal by death, and disqualification on ceasing to be bankers. But whether this permanent portion of the council ever comes to be a majority or not, the fact that the ex-presidents practically have a life office gives them a preponderance in an advisory and executive capacity that must virtually control the council.

From the beginning of the association the more conservative delegates have always held that the executive council should have a certain stability that would protect the association and its settled policy from the often ill-considered and ill-digested schemes that might secure temporary recognition in the annual conventions. At first there was no check imposed on the number of terms a member of the executive council might serve, and the result followed that the council was practically composed of the same men, little change occurring from year to year. This state of things at length attracted attention, and amendments to the constitution were adopted making a member of the council ineligible to re-election after he had served one term of three years, for another period of three years. This brought about rapid change in the personnel of the council, and the association has not been so open to the charge of undue conservatism since the council has been more accessible to new men.

The provision for the ex-presidents was adopted by the convention at New Orleans out of a feeling that the man who had been thought worthy of the high and dignified office of president of the association should not be permitted to pass into obscurity. The berth in the council was intended as an honorary distinction, and no one seems to have made the calculation that an association organized to last for a century or more, might possibly, after a sufficient lapse of time, find itself swamped by too great an accumulation of ex-presidents.

To those, however, who agree that the executive council should, as appears to have been intended by the founders of the association, exert a very strong conservative influence against the inroads of ill-advised innovation, the authors of the constitutional amendment at New Orleans appear to have builded better than they knew. They have in effect counteracted the dangers which thoughtful friends of the association have apprehended might arise from what appeared to them the somewhat hasty choice of new and untried men for so important a body as the executive council, by providing for the continual injection of a steady stream of ex-presidents. In twenty-five

years more, judging by the twenty-five that have passed, the permanent portion of the council may number more than thirty-five. The probability is that this portion of the council, being nearly one-third of the whole number of members, and holding on from year to year, even now exert a large influence in shaping the policy of the association.

Inasmuch as there is no reason for accepting the idea that the intent of the amendment to the constitution made at New Orleans was to have the ex-presidents control the council, it might be well to have some reasonable check imposed on an embarrassing accumulation of ex-presidents, either by extending the term of the president, so that fewer ex-presidents will be evolved, or by fixing a limit to the number on the council. If the limit were fixed at ten, for instance, the retirements by seniority would take place annually, one going out as the last ex-president stepped in.

THE PRODUCTION OF WHEAT in the northwestern territories of the Dominion of Canada is attracting considerable attention. There is no doubt a large area there where spring wheat may be grown successfully. But probably the accounts which proclaim a discovery that is going to seriously alter the status of the United States as the great exporter of breadstuffs, are much exaggerated. Such exaggeration is natural. It was unexpected that such favorable climatic conditions should prevail in the high latitudes of the Canadian provinces, and to find that wheat can be successfully and profitably raised, where it had never been anticipated, undoubtedly leads to indulging similar anticipations about regions lying still further north. The period from 1890 to 1900, during which the discovery of the possibilities of wheat culture in the Canadian Northwest was made, has been noted all over the West for dry and warm seasons. During seasons of maximum summer continuance, the territory where wheat can be raised to the north of the boundary between the United States and Canada would be larger than during periods when the summers seemed to shorten and the winters lengthen. If a period of short summers and long winters should set in, it is probable that many of those who now have high hopes of northwestern Canada as the coming wheatfield of the world will be disappointed. Both the expectation raised by a series of favorable seasons and the dejection resulting from a series of adverse seasons are exaggerated. It is only after a considerable length of time that the agricultural capabilities of a given territory can be safely calculated. In all wheat-growing countries there are great fluctuations in production on account of the uncertainty of climatic effects on the crops. It is so in regard to all crops. The most successful region for any crop is that where losses from unfavorable climatic influences are at a minimum.

THE TREASURY AND THE BANKS.

The use of the National banks as depositaries of public moneys has proved a very satisfactory means of supplementing the deficiencies of the independent Treasury, whenever there has been a tendency to the accumulation of a surplus. When the balance in the Treasury tends to diminish on account of a falling revenue, the amounts deposited with the banks are not perhaps so easily available as might be desired by the Secretary.

The locking up of surplus receipts by the Government, thus taking from circulation money needed for business operations, has repeatedly in the past caused stringency in the money markets. Relief has been sought in several ways: by the payment of interest in advance; by the purchase of bonds, and by the use of National banks as depositaries. The last is the most complete and satisfactory method of the three from a business standpoint, but from that of the Government it is open to some objections. All governments are affected even in regard to those functions which are of a purely business nature, by political considerations. There can be no proposition in economics about which there is less dispute among authorities than that the use of banking machinery facilitates financial transactions, and augments the usefulness of money. The Government in its employment of banks is, however, constantly exposed to charges of favoritism, either growing out of jealousy among banks themselves, or arising from jealousy of the banks on the part of the mass of citizens. Captious and interested critics point out to the general public that the Government is loaning money to the banks without interest, which the banks loan to their customers at the going rates. The Secretary of the Treasury is criticised for giving this free benefit to the banks. The general public does not reflect that the Government in employing the banks as custodians of its funds, is doing the very same thing that is done by the ordinary depositor. And just as the ordinary citizen, by placing his money with a bank, not only benefits himself but confers a certain benefit on the business public, so does the Government on a larger scale when it uses the banks as depositaries of public moneys.

The United States is perhaps the only great nation that still undertakes to maintain its own treasure-chest. All other great nations have permitted the creation of great banking institutions through which their revenues and expenditures may be handled. The Bank of England acts for the British Government, in the same manner as it acts for any of its private depositors. When called upon to pay out money on Government account, there is no agitation or demur any more than there would be in the case of the presentation of a check against a private account.

It seems to be one of the disadvantages of the present use of bank depositaries for public funds in the United States, that the drawing them out for use when the Government needs them is attended by so much agitation, both on the part of the banks drawn on, and the money market itself. During the last month there have been frequent speculations as to whether the

Secretary would call on the banks for the Government funds. When these deposits were drawn upon for the purpose of meeting the Panama payments, notice had to be given a month or so in advance. If Government deposits were regarded as ordinary deposits, there apparently ought not to be any fuss or extraordinary alarm about the transfer of a few millions either way. But the anxiety displayed in the obtaining deposits of public money, and the reluctance manifested to have them withdrawn, show that there may be some ground for the belief that political influences control both in the placing and in the removal of public moneys from the banks. Theoretically, the banks ought to receive and pay out public moneys just as they do the sums placed with them by private customers.

The explanation of the different view taken in regard to Government deposits may be found in the great competition for them which goes on among so many National banks of such unequal strength and resources. The ultimate safety of the money in each case is the same, for every bank has to deposit bonded security; nevertheless a small bank might easily be embarrassed by a sudden demand for payment, where a stronger bank would have no difficulty. When the Secretary finds it necessary to draw on the banks, he has not only to avoid embarrassing the weaker ones, but he has to avoid arousing complaint that he does not treat every bank alike.

Probably one reason that the independent Treasury has existed so long, is that the financial officers of the Treasury have encountered so many inconveniences in dealing with depositary banks. If the institutions in which public moneys are placed could be restricted to those coming up to a certain standard of strength and resources, the greater part of the difficulty of dealing with the public moneys would be removed. There are in the great money centres banks of sufficient resources to handle the public moneys without any necessity of giving a month's notice of withdrawal, and without causing a tremor of the money market every time the Government had to make a more than ordinary payment. On the other hand, however, it is recognized that if the public deposits were placed exclusively with the stronger banks in the larger centers, it would undoubtedly give rise to complaints of favoritism, and perhaps such a charge would then have more foundation than under the present system, imperfect as the latter is in other respects.

The Bankers' Directory.—A. St. L. Trigge, of the Canadian Bank of Commerce, Toronto, writes under date of October 15: "Permit me to compliment you on the accuracy of your Bankers' Directory, July, 1904, edition, as compared with many of the other directories. I have just examined it, and was surprised after finding so many errors in copies of similar publications we receive."

Burroughs' Adding Machine.—On Saturday, October 8, the American Arithmometer Co., manufacturers of the Burroughs' Adding Machine, moved its factory from St. Louis, Mo., to Detroit, Mich. The new factory is modern in all respects, and in addition to greatly improved facilities for manufacturing, is equipped with a gymnasium, baths, reading-rooms, etc. It was quite an undertaking to move the machinery and the 2,000 employees and their families a distance of 500 miles, but it was successfully accomplished.

BANKING CO-OPERATION.

Although the general verdict of bankers throughout the United States has been against the proposed legislation allowing National banks to establish branches, nevertheless the advantage of branch banks in accomplishing certain results by means of banking machinery cannot be denied. For one thing, a system of branch banking would be very effective in competition with the money order business carried on by the express companies and the post office. On the other hand, the recognition of power to create branches would obviously be a blow at the existence of the thousands of independent State, private and smaller National banks, which to-day so efficiently serve the business public in so many thriving communities.

The question naturally arises, Cannot all the advantages derived from the establishment of branches under more monopolistic banking systems be enjoyed under the system of independent banks which hold possession of the banking field in the United States? To accept for credit checks drawn on any bank and to cash orders drawn by any bank in the United States, at par, would at the present time be a somewhat precarious method of business, and yet the conditions of banking in the United States must approximate to this, before our banks afford to the public all the facilities that the public seem to demand for the transmission of funds. The chief obstacle in the way of this improvement in banking facilities lies in the very ease with which small banks and banking houses can be started in the United States. There are in consequence a certain number of banks and banking houses all over the country, started no doubt with the best intentions, but which have not yet fully established themselves in the confidence of the public or of the banking community. Many of these will struggle on and succeed, others will fail either with or without loss to the public and to other banks. There is no single authority which controls the inception of these banks. The National banks are started under the direction of the Federal law executed by the Comptroller of the Currency, and the Federal and State courts. The still more numerous banks outside of the National system are inaugurated under laws emanating from the legislation of the different States and Territories. Some of these laws provide for the observance of certain conditions as to paying in of capital, etc., others do not. In many States the business of banking can be commenced as easily as any other business, with no other precautions or penalties than those provided to prevent dishonesty or injustice in any line of business. The way one bank judges of another is precisely the same as that followed in judging individual customers and commercial paper generally. The binding force in the present system of independent banks is the tendency which attracts money to the great centres of business. Any newly-established bank soon finds that it must place itself in a position to do its share in the great exchanges of the country. Local business alone will not recommend it to its customers. Therefore, in order to fully secure the business of its locality or the share of that business it is struggling to obtain, the new bank must affiliate or, if this is too strong a term, attach itself to one or

more solid institutions at the money centers, by keeping respectable balances with those institutions. In this way by degrees the new bank gains the confidence of these strong central banks and shines more and more with their reflected light.

In speaking of gaining the confidence of the people, it must, however, be remembered that the confidence of these strong institutions is a trained confidence founded on realities. A new bank is valued as a general thing according to its real strength, and any attempt to masquerade as stronger than it really is, is sure to arouse an immediate distrust. But interchange of credit legitimately and honestly used is the foundation of a real bond between the new bank and its correspondents. It is the abuse of this confidence by unbusiness like methods, lack of punctuality and shuffling or dishonesty, that creates distrust, which once aroused is difficult to allay. To prevent this distrust from arising in many cases under our system of banking is beyond the power of legislation. It applies probably to a comparatively small number of all the banks doing business, but it is sufficient to prevent any absolutely free exchange of checks and money orders among banks. Every large city bank has a host of outside bank correspondents, and the majority of them have been so long tried and tested that their proper credit from a bankers' standpoint is exactly known. A progressive bank, however, must seek its share of new accounts. It cannot afford to permit its competitors to absorb all the new banks, and it is in taking on new correspondents that the chief risk is assumed, although of course there is always a danger of deterioration on the part of old and tried correspondents which has to be carefully watched for and guarded against.

On the other hand, the small banks, old and new, which seek to place themselves in a creditable light by establishing a reputation for themselves, have to guard against the dangers which may come from unwise banking on the part of the correspondents they select. While the benefit is mutual, there is also a mutual risk. With a great bank dealing by means of branches in all parts of the country, the risk is reduced to a minimum. It can with confidence accept at once the checks and orders of its own branches, and it is also able to count on receiving a share of the profit the branch derived from initiating the checks and orders. With independent banks as correspondents the profits are not so easily shared.

But since it is impracticable, even if it were not unwise, to abandon the independent feature of our banking system, are there not ways in which these disadvantages, that although considerable are outweighed in the long run by the greater adaptability of the independent system to the business of the country, may be much lessened? Legislation cannot reach the difficulty. The banks themselves must devise ways to determine the status of new banks and prevent the exploiting of new banking operations, which can only succeed under great risk. Perhaps the steps recently taken by the American Bankers' Association to bring about the adoption of a uniform money order may point to the introduction of some method of investigating the operations of those doubtful institutions which, small as is their numerical proportion to the total number of banks, yet introduce an element of distrust into banking operations throughout the country that has more effect than the cause really warrants. The protective committee of the association might easily formulate some method of investigation and provide a way of communicating results to the members of the association. The line of action necessary to check fraudulent or unwarranted banking operations would be germane to the present duties of the committee.

PRODUCTION OF THE PRECIOUS METALS.

The amount of production of the precious metals from year to year and decade to decade has always been an important factor in their value and distribution. The economic bearings of the records of this production, aside from their purely historical interest, involve the subjects of the quantity of the precious metals now existing in the world; their influence upon prices, contracts and general well-being; the portion left for use as money after the deduction from the annual product of the amount used in the arts; and the changes in the relation between gold and silver caused by changes in the supply and in the relative demand for one or the other metal.*

Many investigations have been made to ascertain the course of production, and where correct figures have been lacking estimates have been made based upon premises more or less plausible. The broad facts disclosed by such investigations regarding the fluctuations in the stock of the precious metals in the world in use as money are that the amount was very small prior to the discovery of America in 1492; that the stock, especially of silver, was materially increased by the production of the mines of Mexico and Spanish America during the sixteenth and seventeenth centuries; but that the results of this production, while they met to a certain extent the demand for metallic money under the limited economic conditions of that time, were but a trifle in comparison with the large fund of gold placed at the command of the world after the discovery of the mines of California and Australia about 1850; that this large production of gold slackened somewhat after 1875, while the production of silver increased, but that there was another great revival in the production of gold after the opening of the mines of South Africa and the Klondike about 1890.

The production of the precious metals prior to 1492 is the subject of many detached notices in the writings of antiquity and the Middle Ages, but does not lend itself to very precise calculations. The most painstaking effort to bring together the material on the subject and to form some estimate of the production of early times and the stock remaining in use as money was made by Mr. Jacob, an English writer, early in the nineteenth century.

His researches, as well as the notorious facts of ancient history, show that gold and silver were found in nearly every country soon after the people acquired the art of working metals. Owing, however, to imperfect methods, only the richest ores and those on the surface were reached, and the supply of those was soon exhausted. The third book of Job notes the fact that "surely there is a vein for the silver and a place for gold where they fine it."* The region of the Caucasus, where the chain of the Taurus Mountains divides into two ranges, was one of the most famous of the early gold fields, and the

* What General Walker declared in 1877 is still true: "The monetary questions which now agitate many of the nations of the world, not sparing America, Asia, or Australia, convulsing some with the severest throes of felt or apprehended financial distress, have reference primarily to the facts, the startling facts, of the present yield of the precious metals."—"Money," p. 99.

method of obtaining the gold is supposed to have given rise to the fable of the golden fleece. The primitive source of gold was the sands of the rivers, from which the gold was filtered by its greater specific gravity. In the Caucasus, as in Mexico even at the present time, a lamb's fleece was placed in the bed of the stream, whose heavy wool caught and retained the falling fragments of the yellow metal, creating a genuine fleece of gold well worth the cupidity of Jason and his fellow Argonauts.†

These mines of the Caucasus were not far from those of the Ural Mountains, where Russian travellers in the eighteenth century discovered remains of the mining operations of the ancients. Nubia was one of the most famous of the mining countries of Africa and contributed much to the wealth of the Pharaohs. According to an ancient writer, these mines were not far from the ancient Berenike Panchrysos, in latitude twenty two degrees north. Their operation was interrupted by the invasion of the Ethiopians, who overran Egypt between 800 and 700 B. C., and afterwards by the Medes and Persians. In the passages of the mines have been found many tools of brass and vast masses of human bones of people who had been buried in the ruins.‡ Some of the mines in this vicinity were worked as late as the fourteenth or fifteenth century.

The extension of the arts of mining from Egypt and the civilized countries of Asia to the nearest European countries about fifteen centuries before Christ led to the opening of the mines of Greece. The Island of Cyprus yielded gold, silver and copper, and continued to be worked until the times of the Romans. In Crete and Thasos mines of gold were opened by the Phoenicians. The rich silver mines of Laurium were famous in Athenian history and with the extension of Greek civilization were supplemented by the opening of mines of gold in Thessaly and of silver in Epirus. The product of these mines became available about the time of the Persian wars and contributed to the growing wealth of Athens and the ability of the allied States to contribute to the great store of precious metals piled up in the temple of Delphi as commutation for the protection rendered by the Athenian navy against the Persians. In Asia Minor the rich gold dust contained in the River Pactolus running by Sardis gave rise to the fable of Midas, who by washing in the river acquired the power of converting whatever he touched into gold. The mines of Italy, which were worked by the Etruscans, had their period of richness and were followed by the mines of the Alps and the rich silver mines of Spain. One of the Spanish veins is said to have supplied Hannibal with 300 pounds weight of silver daily. §

The methods of mining at this time were comparatively crude, but new stocks of the precious metals seem to have been discovered, especially in the mountain ranges and the sand of river beds flowing from the mountains, as civilization from time to time extended its sway and proper tools of copper and iron became available. The result of this mining activity was to accumulate great stores of the precious metals, which were all the more imposing from the fact that they were less apt to be used as an actual medium of exchange than as hoards for the purpose of illustrating the wealth and power of monarchs and rich individuals and as a treasure for emergencies. Thus,

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* Job, ch. XXVIII, v. 1.

† Hauser, p. 36.

‡ Jacob, I, p. 43.

§ Ibid., I, p. 99.

we read of Solomon that he "made a great throne of ivory and overlaid it with the best gold;" that all the drinking vessels were of gold; that "all the vessels of the house of the forest of Lebanon were of pure gold; none were of silver; it was nothing accounted of in the days of Solomon."* Many passages are collected by Mr. Jacob to show that the amount of money paid as tributes to Darius and other rulers represented immense sums, but it is by no means clear that they were necessarily represented in bulk by coined money, since banking methods were well understood in the ancient world and taxes and transfers of capital were undoubtedly made, at least in part, by letters of credit rather than in coin.† There is no doubt, however, that very large sums in metal were accumulated by the early Roman emperors. They indicate the existence of a considerable volume of the precious metals at that time.

One of the peculiar characteristics of the search for the precious metals and their use in ancient times was that they did not conform to modern economic principles. This was true of the methods of mining themselves, which were based upon the slave system, and also of the use of the metals as money. While they were employed as money in one form or another in the commercial centres and by trading peoples, they were very slightly diffused in agricultural communities and among the masses. The proportion of gold and silver which might have been heaped up by Darius, Perikles or Augustus in their treasuries or temples represented a much larger ratio of the total stock of the metals in the world than any such accumulations of to-day, even the large stocks in the reserves of the Bank of France, the Imperial Bank of Russia or the Treasury of the United States, and they only rarely performed, like these modern accumulations, the functions of money in general use through their paper representatives. As General Walker truly says: ‡

> "Gold and silver were regarded as an end, not as a means; as treasure, not as money. They were distributed not by trade, but by war. It was the hand of the conqueror that stripped them from palaces and temples. If they were taken from the store of the monarch, it was not to freight the caravans of commerce, but to fill the chariots and mule-carts, to lade the sumpter-horses or the camel-trains of a victorious army."

Mining under the Roman Empire gradually fell under State control, which nearly always stifles improvements by removing the stimulus of self-interest. A horde of officials was appointed, but operations fell into the hands of men destitute of theoretical knowledge, who blindly followed the methods of their predecessors and made no new experiments.§ The slave labor employed was unskilled and ceased to be available with the collapse of great fortunes and the social and economic disorders attendant on the break-up of the Empire. When the barbarians poured across the frontiers, the mines of Illyria, Dal-

* I. Kings, ch. X, v. 18-21.

† Thus, Augustus is said to have received by the testamentary dispositions of his friends about $155,000,000; but it came at different times and undoubtedly in different forms. Tiberius left at his death about $100,000,000, but this was not necessarily entirely in metal. *Vide* Jacob, I, p. 26.

‡ "Money," p. 108. It is significant of the limited diffusion of gold and silver among even the well-to-do that in the ruins of Pompeii "among the utensils none have been found either of gold or silver; but those for which in our day silver is almost exclusively adopted by the middle class of persons, are composed of iron or brass."—Jacob, I, p. 210.

§ Jacob, I, p. 177. Slaves themselves became difficult to procure and too expensive for the heavy work of mining, during the period of peace which prevailed under Augustus and his successors.

matia and Thrace were the first to suffer. These circumstances, with the steady decline in the arts and sciences after the time of the Antonines, led to the almost complete abandonment of mining during the Middle Ages and the gradual disappearance of the stocks of the precious metals which had been inherited from the prosperous and productive ages of antiquity. Mr. Jacob undertakes to calculate mathematically the probable stock of the metals in the time of Augustus and the percentage of loss by abrasion during succeeding centuries,* but such estimates are purely conjectural, and the only indisputable fact is the great scarcity of gold and silver at the time of the discovery of America. Here and there, in Hungary, Saxony and Spain, mining was carried on, but with only modest results.

When Columbus and the explorers who followed him set out on their quest for undiscovered countries, it was largely with the hope of finding gold and silver. Gold was found at the outset in Hispaniola, the first island acquired by Columbus for Spain, but even with the forced labor of the natives it was obtained in only limited quantities.† The quest for gold, at first disappointed, was more amply rewarded after the conquest of Mexico by Cortez about 1520, and of Peru by Pizarro about 1532. The treasures which had been accumulated by many years of mining by the simple but partly-civilized peoples of these countries were poured into Europe and were the subject of most fabulous estimates as to their amounts. Thus, the ransom of the Inca of Peru extorted by Pizarro—a sum equal to about $4,000,000 gold of our money, and an additional sum in silver ‡—was a large amount to be distributed among a small body of adventurers, but did not add greatly to the monetary resources of the world. It was the discovery of the rich silver deposits of the mountain of Potosi in Peru about 1545, which revealed the new world as an important producer of the precious metals and especially of silver. Up to this date (1493–1545) the production of gold preponderated in the proportion of about $220,000,000 to $144,000,000 in silver; but from that discovery, followed by many others, began what Leroy-Beaulieu designates as "the first age of silver." § It was an age which lasted for nearly three centuries, terminating about 1840, and which brought into the commercial world nearly $6,000,000,000 of silver against less than half as much gold.

In the next two generations these conditions were reversed. While the production of silver was so increased that the aggregate for the sixty-two years from 1841 to 1902 was almost exactly equal to the entire product of the three and a half centuries which had gone before, the increase in the production of gold was in still greater proportion and carried the product of sixty-two years to an aggregate nearly three times as great as that of the preceding three and a half centuries. Already, about 1823, the mines of the Ural Mountains began to be more productive, and about 1830 auriferous sands were discovered in Siberia, which by 1840 were yielding a considerable product. ‖ These sources of production afforded but a drop in the bucket, however, to those revealed by the discoveries of gold in California and Australia.

Title to California had not yet passed to the United States by the treaty with Mexico when an American mechanic from New Jersey named Marshall,

* "The Precious Metals, I, pp. 225-237.

† Patterson, "The New Golden Age," I, p. 338.

‡ Prescott, "Conquest of Peru," Bk. III, ch. VII.

§ *Traité d'Économie Politique*, III, p. 240.

‖ Walker, "Money," p. 143.

in the employ of Captain Sutter, made the great discovery. Some miles above Sutter's Fort, on the American fork of the Sacramento, Marshall was working with some other men on a sawmill. While widening the channel through which water was let on to run the mill, yellow particles were brought down by night which were discovered by Marshall the next morning. Suspecting them to be gold, he started to take some of them to Captain Sutter, reaching the fort on the afternoon of January 28, 1848.* The news rapidly spread in California, reached Washington in an official report in December, and within the next year attracted gold-seekers in every form of craft by sea and in caravans which braved every hardship in finding roads over the untracked mountains. Within a year San Francisco had sprung into a prosperous city and the next year California was admitted into the Union by the Compromise of 1850.

Gold was discovered in Australia as early as February 16, 1823, at a spot on the Fish River near Bathurst in New South Wales.† It was only gradually, however, that its existence in paying quantities became known, and it required the stimulus of the Californian discoveries to swell to an army the rush of gold-seekers. The Government at first discouraged mining, but now reversed its policy, and in August, 1851, the precious metal was discovered in large quantities at Ballarat by Mr. Hargreaves.‡ In the summer of 1852 a large flow of immigration took place from Europe and gold began to be found in every province. From the first discoveries to the close of 1897 the Australian colonies produced gold to the amount of nearly $2,000,000,000,§ and the next five years added another sum of $375,000,000. In this volume of production, Australia ran an almost even race with the United States.

These two countries enjoyed unchallenged supremacy until some time after the development of the mines of South Africa about 1889. There, as in Australia, gold was known to exist some years before it was extracted from the mines in large quantities. A flourishing town equipped with machinery for mining and crushing the quartz ore was in existence as early as 1884; but as late as 1887, Barnato, the enterprising South African promoter, was advised by two engineers that the auriferous rock could not possibly extend to any depth.‖ But their error was soon discovered, the town of Johannesburg sprang into being almost in a night, and the gold production of Africa, principally from the Witwatersrand ("White Waters Range"), reached $10,256,100 as early as 1890.

The production increased rapidly every year, until in 1896 the product of Africa surpassed that of Australia, and in the next year that of the United States as well. The war which broke out between Great Britain and the Boers in 1899 closed the mines for several years, but mining activity was resumed as soon as machinery could be installed after the peace. The interest aroused all over the world by the new gold discoveries, and the great improvements and economies made in mining methods, seemed to operate as a stimulus to production in the old gold-bearing countries as well as the new.

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* Schouler, "History of the United States," V, p. 133.

† Coghlan, "The Seven Colonies of Australasia, 1897-8," p. 210.

‡ Patterson, I, p. 185.

§ Coghlan, p. 524. His figures are $399,381,186.

‖ Raymond, "B. I. Barnato: A Memoir," p. 109.

The production of the three chief competitors in gold production advanced during the last decade of the nineteenth century in the following proportions:

YEAR.	*United States.*	*Australasia.*	*Africa.*	*The World.*
1890	$32,845,000	$29,808,000	$10,256,100	$118,848,700
1893	35,955,000	35,688,600	28,943,500	157,287,600
1896	53,088,000	43,776,200	44,581,100	202,251,600
1899	71,053,400	79,321,600	73,023,000	307,168,800

A graphic idea of the production of gold and silver at different periods since the discovery of America is afforded by the following presentation of figures: *

Production of Gold and Silver in the World Since the Discovery of America.

(From 1492 to 1885 is a table of averages for certain periods, compiled by Dr. Adolph Soetbeer: for the years 1886 to 1902 the production is the annual estimate of the Bureau of the Mint.)

GOLD.

PERIOD.	ANNUAL AVERAGE FOR PERIOD.		TOTAL FOR PERIOD.	
	Fine ounces.	*Value.*	*Fine ounces.*	*Value.*
1493-1600	224,693	$4,645,000	24,266,820	$501,640,000
1601-1700	298,304	6,063,000	29,830,445	606,315,000
1701-1800	610,882	12,628,000	61,088,215	1,262,805,000
1801-1840	512,217	10 589,000	20,488,552	433,585,000
1841-1870	4,772,876	98,664,000	143,186,294	2,959,924,000
1871-1890	5,347,540	110,544,000	106,950,802	2,210,870,000
1891-1902	10,721,606	221,635,000	128,659,270	2,659,624,000
Total	....	....	513,970,398	$10,624,718,000

SILVER.

PERIOD.	ANNUAL AVERAGE FOR PERIOD.		TOTAL FOR PERIOD.	
	Fine ounces.	*Coining value.*	*Fine ounces.*	*Coining value.*
1493 1600	6,797,463	$8,789,000	734,125,960	$949,173,000
1601-1700	11,970,731	15,477,000	1,197,073,100	1,547,731,000
1701-1800	18,336,720	23,708,000	1,833,672,035	2,370,809,000
1801-1840	20,028,887	25,896,000	801,155,495	1,035,836,000
1841-1870	31,036,378	40,128,000	931,091,326	1,203,835,000
1871-1890	85,751,998	110,872,000	1,715,039,955	2,217,425,000
1891-1902	163,028,342	210,784,000	1,956,340,100	2,529,410,000
Total	....	....	9,168,497,971	$11,854,219,000

Analysis of these figures shows that the volume of gold production averaged considerably less than $5,000,000 annually from the discovery of America to the close of the sixteenth century, and advanced during the next century to an average of only about $6,000,000. The eighteenth century showed an increased volume of production, which carried the annual average up to about $12,500,000. This average persisted during the first few years of the next century, but was then checked by the revolt of nearly all the American

* This table was specially prepared for the author by Mr. Robert E. Preston, Acting Director of the Mint.

colonies of Spain. The revolutions which were caused by resistance to the Spanish yoke, and which followed at frequent intervals among the liberated peoples, caused such disorder that the mines were in many cases abandoned, the export movement ceased, and Europe, at the very moment when industry was feeling the impulse of renewed activity as the result of the termination of the Napoleonic wars, began to feel a penury of gold.* In spite of an increased product in the Ural Mountains, the gold production of the first forty years gradually declined and fell upon the average to about $10,600,000.

Then came the great outburst of mining activity which followed the opening of the Californian and Australian mines. For the next generation, from 1841, to 1870, the gold product of the world was nearly three thousand millions of dollars, and the average annual product was multiplied by more than ten. This annual average was maintained from 1870 to 1890, but with a tendency downward towards the close of the period. Then came the new outburst of mining activity following the discovery of the mines of South Africa and the Klondike, which doubled the annual product and accumulated within the space of twelve years a stock nearly as large as that produced in the generation following the Californian and Australian discoveries. Again, in spite of the permanent additions made to the stock between 1850 and 1870, the generation beginning with 1871 witnessed a production of gold nearly equal to the entire product of the preceding three hundred and eighty years.

The production of silver since the discovery of America has been more evenly distributed than that of gold. The silver product down to 1840 was almost continuously larger than that of gold and constituted more than two-thirds of the value of the combined product of the two metals. The new gold discoveries radically changed this ratio. For the thirty years ending with 1870 the gold produced was nearly three-fourths of the total value of the aggregate production of the precious metals. To put the case more forcibly, twice as much silver as gold was produced during the eighteenth century and the early years of the nineteenth, while during the thirty years beginning with 1841 three times as much gold as silver was produced. For the next thirty years the value of the product of one metal was almost exactly the same as that of the other. These figures in each case relate to value. In weight the production of silver was nearer ninety-five per cent. during the earlier period and always retained a large preponderance because of the wide difference in value of a given weight of the two metals.

The "Comstock Lode," one of the most famous of the silver mines, was also a large producer of gold. Although discovered in 1858 by a Virginian miner named Finney, the lode took its name from a high-handed and reckless adventurer named Henry Comstock. It was gold which was first taken out, and before mining for silver was systematized a serious battle for control of the country had to be fought with the Indians at Pyramid Lake. Then moved across the scene Adolph Sutro, with his finally successful plan for a tunnel to carry off the waters; William Sharon, agent of the Bank of California, and railway promoter; John Mackay, J. G. Fair, James Flood, and William O'Brien, as purchasers of the Virginia Consolidated and discoverers

* In Mexico the Spanish Government had not permitted any but Spaniards to work the mines. After the revolution the Mexican Government exiled the Spaniards, and they took away considerable amounts of capital. Mining was thus more severely handicapped than if it had been freely opened to foreign capitalists. Chevalier, *La Monnaie*, p. 191.

of the "Big Bonanza;" then after 1877 came the falling off in the product and the gradual decline of the mine. Up to 1880 the total product of the Comstock mines was computed at $174,000,000 in silver and $132,000,000 in gold. The highest yield was $38,000,000 in 1876. In 1880 the product had fallen to $5,100,000 and in 1881 to $1,000,000.*

The Comstock Lode was typical of the highly speculative character of mining enterprises. Of 103 mining enterprises started up to 1880, only six proved profitable. They yielded a product of $115,900,000 for an expenditure of $18,300,000. The other ninety-seven mines, even in this rich district, showed a loss of $43,400,000. While the cost of production must in the long run influence the volume of the precious metals taken from the mines, the speculative character of mining has made this influence difficult to trace and slow in its operation. It is probable that all gold and silver taken from the earth has been extracted at a cost in labor several times the value of the metal obtained. Where a few have obtained rich prizes, many more have suffered disappointment and ruin. It is necessary not merely to obtain the metals, but to obtain them in proportions which compensate the labor expended. They must, as Hauser expresses it, fall within "the limit of exploitability." † A summary of the economic results in the Californian mines, made by Dr. Reyer, after the study of actual conditions, puts the case thus: " ‡

"Even though the dividends in particular cases are large, they by no means cover the deficit of all the unprofitable undertakings. In fact, the production of gold here, as in Australia, has always yielded a net loss. This may be explained as follows. A few dozen mines produce the great mass of gold. They make large profits and determine the price. Their success attracts capital without end to similar undertakings; these are given up after a while, and the money is returned to other really productive branches of industry. But the temptation from the fortunate gold producers continues, and causes new capital constantly to rush to its destruction—the same phenomenon that is seen in games of chance. A few win a great deal; hundreds lose all they have. The business, on the whole, is a losing one."

This view, from the side of capital, is re-enforced on the side of the net return to labor. In the washings of the Rhine in the early years of the nineteenth century a day's work yielded from one and one-half to two francs (thirty-nine cents).§ In Australia in the most productive period of early mining, the ordinary wages of a laborer were thirty shillings ($7) and the minimum was fifteen shillings. In view of the difficulty of bringing European products to the island and the high prices which they consequently commanded, these sums did not represent a high purchasing power.

CHARLES A. CONANT.

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* Suess, pp. 383-85. † "*L'Or*," p. 84. ‡ "Bimetallism in Europe," p. 83.
§ Chevalier, "The Probable Fall in the Value of Gold," p. 43.

PHILIPPINE CURRENCY SUCCESS.—When the new currency system was proposed for the Philippines there were predictions in some quarters that the conservative islanders could not be readily induced to surrender the Mexican dollars and the Spanish coin, with which they had been familiar for so many years, in favor of the uew Philippine peso proposed by the commission. Reports received, however, show that the change has been made smoothly and more expeditiously than was thought possible.

Col. Edwards, Chief of the Insular Bureau, has received a letter from Henry C. Ide, Secretary of Finance and Justice of the Philippines, in which he says that nearly all the business houses have put their business on the basis of the new currency; that in all the provinces it is found in free circulation, and the people object to taking any other currency.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

SUMMARY OF STATE AND TERRITORIAL LAWS RELATING TO TRUST COMPANIES.

The aim in the preparation of this summary has been to include the essential facts, greatly condensed, of the laws of the several States and Territories specifically relating to trust companies. Effort has been made to have it correct as far as it goes, and to include the latest legislation on the subject. The scope of the work is, however, limited to a summary of statutes specifically relating to trust companies, and no effort has been made to include reference to all corporation or banking laws that might be construed as applying to trust companies.

The writer wishes to acknowledge his indebtedness to officials of the various States and Territories for copies of State and Territorial laws on the subject and for information furnished; and also to E. A. Feasel, Librarian of the Cleveland Law Library, for courtesies extended in the use of the library, without which the preparation of this summary would have been impossible.

ALABAMA.

There are no general laws relating to trust companies in this State. Trust companies are chartered by special act of the Legislature, and such charters usually grant ample powers, including those of Savings banks, trustees, guardians, administrators, making of surety bonds, etc. Such companies may also be incorporated under the general incorporation law, Code 1896, Vol. 1, paragraph 1251, which authorizes two or more persons to associate for incorporation "for any lawful purpose."

ARIZONA.

Trust companies are incorporated under the general incorporation law, paragraph 764, Code 1901, under which any number of persons may associate for incorporation "for the transaction of any lawful business." The trust company law is found in the Acts of 1903, No. 31. Powers specified, to act as executor, administrator, guardian, trustee, or guardian of the estate of a lunatic, idiot, minor, "or to act in any other fiduciary capacity as if it were a natural person." The articles of incorporation must authorize such powers. The courts are given power to make such appointments. Such courts or officers making appointments may require the company to give such security as they deem proper, and to make orders regarding the trusts committed to them and to require all accounts that they might require of a natural person acting in the same capacity. Trust companies must report to the Auditor of the Territory, who is ex-officio Bank Comptroller, annually. The Comptroller

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

must examine each company annually or oftener, and after each examination report their condition to the Attorney-General.

(R. S. 1901, paragraphs 130, 131.)

ARKANSAS.

Act 135, Laws of 1903. Three or more persons may associate under the provisions of the general incorporation law to be incorporated as a trust company. Articles of association shall state the face value of the shares, but same may not be more than $1,000. The capital, paid up, must be not less than $100,000 in counties whose population exceeds 50,000; not less than $75,000 in counties whose population is from 40,000 to 50,000; and in no event less than 50,000. Powers specified, to receive moneys in trust, and to accumulate same; to allow interest at not exceeding the highest rate allowed by law; to accept and execute all such trusts and perform such duties of every description as may be committed to them by State or United States courts; to hold real or personal estate or trusts created in accordance with the laws of the State, and execute legal trusts in regard to same; to execute or guarantee any bonds required to be given in proceedings in law or equity in the courts of the State, but no such bond shall exceed one-half the paid-up capital of the company; to act as agent for the investment of money for other persons, and as registrar or transfer agent; to execute trusts for married women in respect to their separate property, real or personal, and as agent in the management of same, "and generally to have and exercise such powers as are usually had and exercised by trust companies;" to act as administrators, receivers of any estate, guardian or curator of any infant or insane person or his estate; to conduct fidelity insurance and title insurance business; to loan money on real estate and collateral security; to issue its debentures or notes and to pledge its mortgages upon real estate and collateral securities as security therefor; to buy and sell Government, State, municipal and other bonds, negotiable and non-negotiable papers, stocks and other investment securities. "In all other respects such corporations shall be governed by the laws of the State governing banks, and subject to such examinations as banks are now, or hereafter may be, subjected to by the laws of this State." Any trust company now existing may avail itself of this act, if its capital be such as required hereby.

CALIFORNIA.

Trust companies are organized under the provisions of the general incorporation law. Number of corporators required, five or more (Code, paragraph 285). Such companies are regulated and governed by the provisions of an act approved April 6, 1891 (chapter 264, Laws 1891), as amended April 1, 1897 and March 20, 1903. Capital required, not less than $250,000, of which at least $100,000 must be paid in, in cash. Powers specified, to act as executor, administrator, guardian, (of estate only, not of person), assignee, receiver, depositary, trustee. In these capacities their compensation shall not exceed that allowed to natural persons for like services. Courts are authorized to make these appointments. Courts may permit persons holding like trusts to deposit their funds with a trust company, and have the amount of their bonds reduced. Such corporation shall not be required to give bond or security other than the deposit with the State, but shall be responsible for

funds handled same as a natural person. The amount of money on deposit must not exceed ten times the paid-up capital and surplus, nor shall outstanding loans exceed such amount. Interest must be paid on all moneys held in trust. The company must deposit with the Treasurer of the State, before accepting any trust above mentioned, or deposits of trust money, the sum of $100,000 in bonds of the United States, the State of California, or any county, city or school district thereof, or in first-lien mortgages or improved and productive real estate in the State, worth at least twice the amount loaned thereon. Such securities shall be registered in the name of the Treasurer of of the State, and may be exchanged from time to time. The company shall receive the income from same, so long as it is solvent and conforms to the law. If the paid-up capital of the company exceeds $250,000, it may mortgage any improved and productive real estate owned by it to the State Treasurer, and have same counted as a part of the deposit.

Such corporation shall file with the Board of Bank Commissioners, in each January and July, a statement of its condition on December 31 and June 30, respectively, next preceding. Also a list and brief description of trusts held, source of appointment, and amount of real and personal property held therewith. The statement shall be in form and information as required by the board. The board may require special reports. It shall examine each company annually or oftener. If an examination reveals an unsafe condition, the board may demand conformity to the law; and if this is not forthcoming, shall report to the Attorney-General, who shall institute such proceedings as are necessary. The board has further regulative powers. The company must keep inviolate all confidential information relating to trusts held by it, save as suits at law may require its disclosure.

The statutes do not mention the term "trust company." The act under which the above powers are granted is called "An act authorizing certain corporations to act as executor and in other capacities."

Foreign corporations may do business in the State. (Acts of March 17, 1899 and March 8, 1901.) They must file with the Secretary of State and with the county clerk in the county in which their principal office in the State is located, a certified copy of their articles of incorporation or of their charters or of the statutes or acts under which they were created. Such companies must in any case designate some person residing in the State upon whom process may be served.

COLORADO.

(Mills' Annotated Statutes, paragraphs 544 to 544*l* inclusive, Laws of 1891, pp. 102 sqq.) Five or more persons may associate for incorporation as a trust company. They shall execute articles of incorporation as provided in section 2, chapter 19, General Statutes. (This is paragraph 473, p. 614, Annotated Statutes.) One copy of these articles shall be filed with the Secretary of State, and one with the recorder of deeds in each county where the company is to do business. The capital, paid in full, in cash, must be at least $50,000 in cities of the second class, and at least $100,000 in cities of the first class. Powers specified, to act as fiscal agent, registrar and transfer agent; to receive from persons, corporations or under order of court, deposits of money, securities or other personal property in trust or for investment or for safe keeping, subject to withdrawal on demand or on time certificates; to hold

and accumulate same or pay interest thereon at not to exceed six per cent.; to loan on real or personal security; to act as trustee under any mortgage or deed of trust or bond, "and to accept and execute any other trust" not inconsistent with the laws; to act under order of court as guardian, Receiver or trustee of the estate of any minor, the annual income of which is not less than $100, and to act as depository of funds paid into court; to accept and execute any legal trusts regarding the handling of estates, real or personal, of living or deceased persons, confided to it by courts of record, persons, corporations or other authority, being accountable to all persons in interest for the faithful discharge of such trusts; to take and execute any trusts confided to it by courts of record and hold real or personal property in connection with such trusts; to purchase, invest in and sell stocks, bills of exchange, notes, bonds and mortgages and other securities, and to give receipts, certificates, bonds or obligations for same or for moneys borrowed; to act as executor, administrator, trustee under will, conservator or committee of the estate of lunatics, idiots, persons of unsound mind and habitual drunkards—courts being authorized to make such appointments; to conduct a safe-deposit business, a fidelity insurance business; "provided, that nothing herein shall authorize trust companies to engage in the business of banking except, in the event of being expressly authorized, to the extent herein allowed and provided for." * * * "That all corporations incorporated under this act may do or perform all acts and exercise all powers connected with, belonging to or necessary for the full and complete exercise and discharge of the rights, powers and responsibilities hereinbefore granted, and all provisions of this act shall be liberally construed so as to accomplish the purposes and objects hereby proposed."

Courts appointing the company to trusts may make such orders and require such accounts as they might if the company were a natural person. The trustees or board of directors have discretionary power of investing trust funds in the stocks or bonds of the United States, any State, any incorporated city or county of the State duly authorized, "or in such real or personal securities as they may deem proper, but no trust company shall invest in the stock or bonds of any private incorporated company." No loan shall be made, directly or indirectly, to any trustee, director or other officer of the company, and no loan on the stock of the company. In handling court trusts the company is subject to the same responsibilities, has the same powers, and shall receive the same compensation as individuals holding similar trusts, except as herein otherwise provided. Trust funds and investments must be kept separate from the assets of the company and be so designated as to show to what trust they belong.

Trust companies are required to make not less than three nor more than five reports annually to the State Treasurer, in form required by the latter. Such reports must be published for one week in each edition of two daily papers in the city, or in one paper if only one is published.

CONNECTICUT.

Trust companies are incorporated by special act of the Legislature. There are a number of general laws regulating the business of such corporations, most of them applying also to State banks and Savings banks. Trust funds, unless it is otherwise provided in the instrument creating the trust, may be invested in such securities as Savings banks are allowed to invest in.

These are specified in great detail, and include United States bonds, certain State and municipal bonds, loans on certain collateral, notes of two or more persons resident in the State, stock of banks and trust companies in the State or in New York city or Boston, certain railroad bonds, mortgages on real estate worth at least double the amount loaned and situated in the State or in certain specified places, and deposits in banks or trust companies in the State or in New York, Massachusetts or Rhode Island. Trust companies may receive deposits of public moneys under certain restrictions, but not to an amount from one official of more than thirty per cent. of the paid-up capital, surplus and profits of the company. They must maintain a reserve fund of fifteen per cent. of aggregate deposits, of which not less than four-fifteenths must be in legal tender on hand. One-fifth of the reserve may consist of certain approved railroad bonds, and the rest may be on demand deposit with specified reserve agents. Loans may not be made on the stock of the company. Loans to one person, firm or corporation may not exceed ten per cent. of paid-in capital, surplus and profits, except that on collateral, with a margin of twenty per cent., such loans may not exceed twenty per cent. of such capital, surplus and profits. Paper endorsed by officers or clerks of the company may not be discounted. Loans to parties out of the State may not be made until the loans to residents amount to at least half the capital. Loans to directors may not exceed five per cent. of capital, surplus and profits to any one, or twenty per cent. to all together; but these provisions do not apply to loans on collateral with a margin of twenty per cent. Such loans on collateral to one director must not exceed ten per cent. of capital, surplus and profits.

Trust companies are under the supervision of the Bank Commissioners, to whom they must render at least five reports each year, setting forth in detail such information as said commissioners may require. They are subject to examination semi-annually or oftener, the Bank Commissioners being required to examine each department of such companies. If the Treasurer of the trust company is also Cashier of a National bank, examinations must be made at the same time as the National bank examiner examines the National bank. If a trust company does a surety business, it is required to make annual reports with special reference to that business.

For purposes of taxation, trust companies must file statements with the tax commissioner annually during the first fifteen days of October, showing number of shares of stock, their market value, names and residences of stockholders and number of shares owned by each. In the February following, the company must pay to the State Treasurer a tax of one per cent. on the market value of each share, less the amount of taxes paid on the company's real estate in the State, which is assessed in the taxing district in which it is located.

(Revised Statutes, 1902, sections 254, 1969, 3400, 3401, 3402, 3403, 3404, 3411, 3416, 3428, 3429, 3457, 3458, etc. Laws of 1903, chapters 167 and 204.)

CLAY HERRICK.

(To be continued.)

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

DRAFT DRAWN TO ORDER OF CASHIER—EFFECT OF—FAILURE OF COLLECTING BANK.

Supreme Court of Alabama, April 12, 1904.

JOSIAH MORRIS & CO. vs. ALABAMA CARBON CO.

A draft drawn to the order of the Cashier of a bank for the purpose of enabling the bank to collect and apply the proceeds thereof to the drawer's credit, does not divest his equitable ownership of the debt for which the draft is made.

Where a draft was drawn to the order of the Cashier of a bank to enable it to collect the same, and the Cashier indorsed it, "Pay to the order of M. & Co.," and signed the indorsement in his capacity as Cashier, and inclosed it to M. & Co. for "collection and credit," M. & Co. took the paper in the capacity of a collecting agent for the forwarding bank, and not as a purchaser.

Where a bank forwarding a draft for collection inclosed a letter of the drawer, directing the fowarding bank to collect the draft and place the proceeds to the drawer's credit, such letter was notice to the collecting bank that the drawer was the beneficial owner of the claim sought to be collected, notwithstanding the form of the draft and the indorsement were such as to transfer the legal title to the claim, and hence, on the failure of the forwarding bank, the collecting bank was not entitled to credit the proceeds of the draft against the debt of the forwarding bank to it.

Where a forwarding bank made an assignment and ceased to do business prior to the collection of a draft sent to defendant for collection, such assignment terminates defendant's agency for the forwarding bank.

Where, prior to the collection of a draft, the forwarding bank made an assignment, the drawer of the draft was entitled to recover the amount subsequently collected from the collecting bank as money had and received.

On December 22, 1896, the plaintiff, the Alabama Carbon Company, drew a sight draft on Wood Bros., of Montgomery, Ala., payable to the order of A. E. Baker, Cashier. A. E. Baker was the Cashier of the Commercial Bank of Selma. This draft was inclosed in a letter to A. E. Baker, Cashier, which stated: "Inclosed find sight draft on Wood Bros. for $126.91, which please collect and place to our credit." On December 24, 1896, after indorsing the draft, A. E. Baker, Cashier, sent the same to the defendants, Josiah Morris & Co., of Montgomery, Ala., together with a letter which stated, "I inclose for collection and credit" certain notes and drafts, among which was the draft on Wood Bros. above referred to. The indorsement on the draft was, "Pay to the order of Josiah Morris & Co.," and was signed "Commercial Bank of Selma, Alabama, A. E. Baker, Cashier."

At the time the draft was received by the defendants, the Commercial Bank of Selma was indebted to the defendants in a larger sum of money than

the amount of the draft. The draft was sent in the regular course of business. On December 30, 1896, the defendants collected the amount of the draft from Wood Bros. This collection was made after the Commercial Bank of Selma had made an assignment and ceased to do business. On December 31, 1896, the amount so collected by the defendants from Wood Bros. was credited by the defendants to the previously existing debt of the Commercial Bank of Selma to the defendants.

The defendants had no other transaction with the Commercial Bank of Selma after the draft was sent to it.

The court rendered judgment in favor of the plaintiff, fixing its recovery at $164.95. The defendants appealed.

SHARPE, *J.:* Plaintiff's draft on Wood Bros. having been drawn in favor of the Cashier of the Commercial Bank of Selma merely for the purpose of enabling that bank to collect and apply the proceeds thereof to plaintiff's credit, did not have the effect to divest plaintiff of its equitable ownership of the debt drawn for. That bank's indorsement of the draft to defendants did not have such effect, since, as shown by the letters of advice accompanying the drafts, it took the paper, not as a purchaser, but in the capacity of a collecting agent for the forwarding bank. (Williams vs. Jones, 77 Ala. 294; Branch vs. U. S. Nat. Bank, 50 Neb. 470.)

The first of these letters, viz., the letter of plaintiff advising the Commercial Bank that the draft was for collection, was, when forwarded to defendants, sufficient to put them on notice that plaintiff remained the beneficial owner of the claim sought to be collected, notwithstanding the form of the draft and of the indorsement were such as to transfer the legal title of the claim. The assignment of and the cessation of business by the Commercial Bank of Selma, occurring previous to the collection of the draft, operated to terminate the agency of the bank, and to forestall whatever right defendants might, in the absence of those occurrences, have had to retain the proceeds of the draft as a payment on the debt due them by that bank, and the plaintiff, as the equitable owner of those proceeds, had the right to recover therefor as for money had and received to its use.

As supporting this conclusion, see People's Bank of Lewisburg vs. Jefferson County Savings Bank, 106 Ala. 524; Evansville Bank vs. German-Am. Bank, 155 U. S. 556; Wilson vs. Smith, 3 How. 763; Branch vs. U. S. Nat. Bank, 50 Neb. 470; Millikin vs. Shapleigh, 36 Mo. 599; First National Bank of Chicago vs. Reno County Bank (C. C.) 3 Fed. 257; Zane on Banking, pp. 297, 322, 315, 317.

Judgment affirmed.

WHEN BANK IS LIABLE FOR REFUSAL TO PAY CHECK—CHARGING PAST-DUE INDEBTEDNESS WITHOUT NOTICE.

Supreme Court of Alabama, July 8, 1904.

CALLAHAN VS. BANK OF ANDERSON.

Where a bank refuses to pay a check drawn by a depositor in favor of a third party in absence of notice to the depositor that the fund on deposit has been applied in extinguishment of past-due claims held against him by the bank, when he has deposited a sum sufficient to pay the check, the bank is liable to him for dishonoring the check.

The plaintiff alleged that he was a depositor with the defendant, and drew a check on it in favor of S. F. Royster Guano Company for $300, which

the bank refused to honor, although there were funds to his credit on his deposit account; that he was compelled to take up this check and, by the action of the bank, was damaged in the sum of $5,000. The plaintiff demurred to the second and third defenses. The second defense was as follows:

"(1.) That at the time mentioned in the complaint, and for some time previous and subsequent thereto, the plaintiff was indebted to the defendant on past-due notes, both as maker and indorser, in a sum largely in excess of the amount which defendant was due to the plaintiff on his deposit account or otherwise.

(2.) That the defendant thereby acquired a bankers' lien on all deposits of plaintiff, and a right to hold and set off any amount due on deposit to plaintiff against the said past-due notes, and thereupon defendant held and applied the amount due on deposit account of plaintiff as far as the same would go to the settlement of the said past-due notes of plaintiff; and, upon this application being made, the plaintiff had no funds left to his credit to meet the check mentioned in the complaint when the same was presented, and defendant refused to pay same."

The third defense was similar, except it further alleges the plaintiff's insolvency as a reason for applying his deposits to his indebtedness.

GARY, *J.:* The question in the case is whether the plaintiff has a right of action against the defendant for its refusal to pay a check drawn by him in favor of a third party, in the absence of notice to the plaintiff that the bank had applied his funds on deposit in extinguishment of past-due claims held against him by the bank, when he had deposited with the bank sums of money sufficient to meet payment of the draft. Conceding the general proposition that the relation of debtor and creditor exists between the depositor and the bank, it is necessary in this case to determine whether there are rights and duties arising from the very nature of the banking business that are not ordinarily incident to the relation of debtor and creditor. Such rights and duties are thus stated in Stillman vs. Bank, 12 Rich. Law, 518:

"In the best-conducted banking institutions, the well-recognized usage is: When a customer deposits funds, the bank is understood to receive them with a tacit engagement to pay them out to his order or check drawn in his own favor, or in favor of third persons with whom he may have dealings. This is understood to be the bank's duty and engagement incurred by the simple act of receiving the deposits, as a consideration for its right to employ the money, and which it is to perform upon the single condition of being notified of the existence of the check in such manner as to free it from danger of being made liable to pay the same amount twice—that is to say, the checks take precedence according to the order of the notification."

Again the Court says: "Banks, by going into business, are understood to hold themselves out as having undertaken and assumed upon themselves to be liable for all that business, in commercial usage, obliges them to do. This bank may therefore be considered to have promised Bankcroft, when it obtained the custody of his money, that it would honor his checks by paying out the funds, either to himself or to other persons, as his checks might direct. When a draft under these circumstances comes to the bank, it comes as its own contract, made by it on the consideration of having received funds as the means of its fulfillment; and, as between the bank and the holder of the check, when drawn to a third person. Bankcroft is really the bank's

agent empowered to give the order. The contract presented is the original personal promise of the bank itself. These dealings in bank checks stand upon peculiar grounds. The exigencies of trade do not admit of delays attending the process of acceptance, or arising from the effect of days of grace. If these drafts are delayed—if the bank being in funds be at liberty to refuse payment—the inevitable consequence to the parties disappointed can be none other than such as the want of scrupulous punctuality always inflicts. *The drawer's credit suffers, and it is well known that for this injury a depositor is entitled to his action against the bank.*" (Italics ours.)

The reasoning of the court in the case just mentioned was strongly approved in Simmons vs. Bank, 41 S. C. 177, which is conclusive of the case under consideration. The court, in the case last cited, in speaking of the the principles decided in Stillman vs. Bank, uses this language: "That case shows just what the circuit judge held in this case—that the true theory is that when a bank receives the money of a depositor, and places the amount to the credit of such depositor on his deposit account, the implied contract on the part of the bank is that it will pay all checks drawn by the depositor, in such amounts and to such persons as may be mentioned in such checks, as long as there remains to the credit of the depositor on such account an amount sufficient to pay such checks."

Again the Court says: "The fifth question involves the inquiry whether the bank had the right to set up the past-due notes of Jervey & Co., and the balance against them on the cotton account. If, as we have seen, the bank received the deposits on the merchandise account under an implied promise to pay the checks of Jervey & Co. on that account as they were presented, then there was an application of that fund to that purpose, and the bank could not afterwards apply the same to any other purpose—*certainly not without the consent of, or previous notice to, Jervey & Co.*" (Italics ours.)

Permission was granted to review the case of Simmons vs. Bank, 41 S. C. 177, but this court sees no reason for receding from the principles therein stated.

As the questions raised by this appeal are conclusively settled by our own decisions, we have not deemed it necessary to cite those elsewhere.

The judgment of the circuit court is affirmed.

Pope, *C.J.*, concurred. Woods, *J.*, dissented, and concurred in the dissenting opinion of Jones, *J.*

DRAFTS ISSUED BY CASHIER IN PAYMENT OF INDIVIDUAL DEBT—IMPLIED AUTHORITY.

United States Circuit Court of Appeals, April 19, 1904.

CAMPBELL vs. NATIONAL BROADWAY BANK.

Where a Cashier has issued a draft to discharge his individual debt, and it appears that he had on numerous previous occasions drawn similar drafts to pay similar debts, and such acts had continued for a period sufficiently long to establish a settled course of business, which had been sanctioned and ratified by the officers of the bank, it may be inferred by the jury that such acts were known, or should have been known, to the directors of the bank and that the Cashier's acts were authorized.

In error to the Circuit Court of the United States for the Southern District of New York.

Before Wallace, Townsend and Coxe, Circuit Judges.

COXE, *Circuit Judge:* This action was commenced by the plaintiff, as ancillary receiver, to recover $12,150 and interest, being the amount due on three Cashier's drafts, drawn by George M. Valentine, Cashier of the Middlesex County Bank, of Perth Amboy, N. J., on its New York correspondent, the National Park Bank of New York, to the order of the defendant, the National Broadway Bank. These drafts were given by Valentine in payment of his individual obligations to the said Broadway Bank.

It is argued that "the court erred in instructing the jury that if during a series of years sufficiently long, and in business transactions sufficiently numerous to make out a regular course of business in the conduct of the bank, the Cashier had been accustomed to sign the checks of his bank payable to his own order, or to the order of his creditors, then the defendant was entitled to a verdict."

The instructions excepted to are in accord with the decision of this court in Gale vs. Chase National Bank, 104 Fed. 214, 43 C. C. A. 496, which cannot be distinguished, on principle, from the case at bar. In the Gale Case a Cashier's draft, given to discharge his individual debt, was under consideration, and it was decided that where it appears that the Cashier had, on numerous previous occasions, drawn similar drafts to pay similar debts, and such acts had continued for a period sufficiently long to establish a settled course of business which had been sanctioned and ratified by the officers of the bank, it might be inferred by the jury that such acts were known, or should have been known, to the directors of the bank and that the Cashier's acts were authorized.

This, in substance, was the proposition charged in the present case and the jury were told that the burden was upon the defendant to show that the drafts in question, which on their face were calculated to excite suspicion, were drawn in the ordinary business of the bank. The charge was as favorable to the plaintiff as the facts and the law warranted.

The Gale Case was again considered by this court (108 Fed. 987, 46 C. C. A. 683), and subsequently by the supreme court (188 U. S. 557, 23 Sup. Ct. 372, 47 L. Ed. 594), but the law of the first decision, in so far as it relates to the questions now under consideration, has not been changed or modified. It is the law of this court to-day and we see no reason why it should not be followed. It seems to be conceded by the plaintiff that if the court adheres to its former decision it is conclusive of the principal question involved.

In order to show a course of business at the Middlesex Bank which permitted the use of the Cashier's checks in payment of his personal obligations, that such business was open and notorious and that the President of the bank had actual knowledge of what was being done, the defendant was permitted to prove a number of such checks previously drawn by Valentine, as Cashier, to the order of a broker who represented Valentine in stock speculations. The defendant also proved that this broker, when the first Cashier's draft was offered to him by Valentine, declined to receive it until assured that it was authorized; that he had a conversation with the President of the bank, informed him of the unusual character of the draft, asked if the Cashier had authority to give such a draft, and was informed by the President that he had.

The objections of the plaintiff to this evidence, and to other evidence of similar import, are inconsistent with his theory that it was necessary to show

knowledge in the directors, and the objections were properly overruled. If actual knowledge were necessary it is not perceived how it could be proved more conclusively, as to the President at least, than by showing that he knew of Valentine's acts, was informed that they were unusual and suspicious and, thereafter, declared them to be authorized and permitted them to continue.

The cause was carefully tried and no error was committed of which the plaintiff has a right to complain.

The judgment is affirmed with costs.

PAYMENT OF CHECK AFTER STOP ORDER—ACTION TO RECOVER MONEY SO PAID.

Court of Errors and Appeals of New Jersey, June 20, 1904.

NATIONAL BANK OF NEW JERSEY vs. BERRALL.

The payee of a check drawn upon a bank in New Brunswick indorsed it generally, and deposited it to his account in a bank in Washington. The Washington bank forwarded it to the New Brunswick bank for collection. The latter bank paid it—by mistake as alleged. *Held*, that there was no privity between the New Brunswick bank and the payee of the check to support an action by the former against the latter to recover the amount of the check as for money paid by mistake.

The holder of a check has no contract with the bank on which it is drawn, and no legal right to exact its payment.*

Where a bank receives in the ordinary course of business a check drawn upon it, presented by a bona fide holder, who is without notice of the fact that payment thereof has been stopped, and the bank pays the amount of the check to such holder, it can not afterwards recover back the money as paid by mistake, on the ground that payment of the check had been countermanded by the drawer.

This was an action to recover money alleged to have been paid by mistake. One Kilpatrick delivered to defendant, Berrall, his check drawn upon the plaintiff bank at New Brunswick payable to defendant's order.

The check was forwarded to defendant, who resided in Washington, D. C., and was with reasonable diligence indorsed by him and deposited to his account in the Columbia National Bank of Washington, and by that bank immediately passed to his credit. The check was thereafter forwarded by the Columbia National Bank to the plaintiff bank, at New Brunswick, for collection, and was paid by the latter in due course of business. Before the check was presented to the plaintiff for payment, however, Kilpatrick, the drawer, had instructed the plaintiff not to pay the check, and plaintiff's employee who afterwards paid it did so in ignorance or forgetfulness of this instruction. Subsequently the plaintiff communicated with the defendant by letter, stating that the check had been paid by mistake, since payment thereof had been stopped by Kilpatrick; that, in consequence, the plaintiff had been compelled to make good the amount to Kilpatrick, return of which it thereupon demanded of defendant in exchange for the check. The demand was refused, whereupon this action was instituted.

PITNEY, *J.:* There is, in our opinion, no right of recovery, for two reasons:

1. For want of privity between the parties to the action. It will be ob-

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*The Negotiable Instruments Law provides: A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check. (Laws N. J., Ch. 184, Sec. 189.)

served that the suit is in no wise based upon the check as a commercial instrument. The paper was not protested, and the conditional liability of Berrall, as indorser, to pay the amount to the holder in the event of dishonor of the check upon presentation, followed by notice to him, has never become fixed. Nor does the case present an instance of the attempt to follow money that is impressed with a trust into the hands of a third party, who has taken it with notice of the trust, or without parting with value in exchange. The money that Berrall received was the money of the Washington bank, placed by that bank to his credit upon the deposit of the check to his account. That transaction was in effect a sale of negotiable paper by Berrall to that bank. The money that the plaintiff bank afterwards paid for the same paper went to the Washington bank, and not to Berrall. The two transactions were separate and distinct. Under such circumstances, the right to recover money paid by mistake exists only as against the party to whom the payment in question was made. In this case the Washington bank was the recipient of the disputed payment, not Berrall. If Berrall had deposited the check in the Washington bank for collection for his account, the action of that bank in forwarding it to New Brunswick for collection would have been stamped with agency in behalf of Berral, and payment by the New Brunswick bank (now plaintiff) to the Washington bank would have been payment to Berrall, within the rules of privity. But Berrall did not deposit the check for collection. His indorsement was general, and its purpose was unqualified, for the amount of the check was immediately passed to his credit by the Washington bank. That constituted that bank the owner of the check. (Hoffman vs. First National Bank of Jersey City, 46 N. J. Law, 604.)

What that bank afterwards did in forwarding the check for collection was done for its own account, and the payment received by it from the plaintiff bank was received as principal, and not as agent. The authorities cited to the contrary are not in point. In 3 Am. & Eng. Encycl. Law (2d Ed.) tit. "Banks and Banking," the language on page 817, that "the fact that a depositor's account is credited with the amount of the items *taken for collection* does not of itself operate to transfer the title to the paper for, by the custom of bankers, the collection is charged back at once if not made," is limited by the force of the words italicized.

In Appleton Bank vs. McGilvray, 4 Gray, 518, the payee of a note empowered an agent to collect it for him, and the payee was, of course, held liable as principal.

Merchants' Ins. Co. vs. Abbott, 131 Mass. 397, was a case where an insurance loss was paid to the assignee of the insured at his request, in discharge of his debt, and on his fraudulent proof of loss. There the insured was, of course, held liable to refund.

2. But even if the want of privity were no obstacle, in our opinion the case shows no ground for recovery, because the money was not paid by mistake within the meaning of the legal rule that permits a recovery. There was no legal obligation on the part of the plaintiff to pay the check, and this aside entirely from the fact that it had received notice to stop payment.

We concur in the view expressed by the Supreme Court in Creveling vs. Bloomsbury National Bank, 46 N. J. Law, 255, that the holder of a check has no contract with the bank on which it is drawn, and no legal right to exact payment. In this case, therefore, the check was voluntarily paid by

the plaintiff to the Washington bank. Since the present controversy arose, the rule of the Creveling case has been established in statutory form by the general act of 1902 relating to negotiable instruments (P. L. 1902, p. 614, c. 184, §189). As between the holder of a check and the bank upon which it is drawn, the latter is bound to know the state of the depositor's account. Before paying the check, it must take into consideration whether it was drawn against funds, and whether the order for payment evidenced by the check has subsequently been revoked. Therefore, where a bank receives in the ordinary course of business a check drawn upon it, and presented by a bona-fide holder, who is without notice of any infirmity therein, and the bank pays the amount of the check to such holder, it finally exercises its option to pay or not to pay, and the transaction is closed, as between the parties to the payment. (Boylston National Bank vs. Richardson, 101 Mass. 287; Oddie vs. National City Bank, 45 N. Y. 735; National Bank vs. Burkhardt, 100 U. S. 686, 689; Manufacturers' National Bank vs. Swift, 70 Md. 515; Riverside Bank vs. First National Bank, 74 Fed. 276, 20 C. C. A. 181.) Other cases will be found cited in 22 Am. & Eng. Enc. Law [2d Ed.], p. 623.)

Of the cases cited to the contrary, only two require notice. Merchants' National Bank vs. National Eagle Bank, 101 Mass. 281, seems to have turned upon the effect of the rules of a clearing-house association, and was distinguished by the same court in the case of Boylston National Bank vs. Richardson, 101 Mass. 287, decided at the same time and already cited.

In Northampton National Bank vs. Smith, 169 Mass. 281, the only question presented was whether the action for recovery of the money could be maintained without first tendering the check to the defendant. The court answered this question in the negative. Whether after such tender the action could be maintained, was not passed upon. The rule that holds a bank bound to know the state of the depositor's account, and to take cognizance of this and other transactions between it and the depositor before making payment of a check duly presented, has even been extended so far as to require the bank to pass upon the genuineness of the depositor's signature to the check, so that where it pays out money on a check upon which its depositor's name has been forged, to a bona-fide holder for value, it has been held that the bank can not recover back the money.

This topic is fully treated in 5 Am. & Eng. Enc. Law (2d Ed.) tit. "Checks," p. 1071, where will be found an ample citation of authorities. (See, also, 22 Am. & Eng. Enc. Law [2d Ed.] tit. "Payment," p. 623, etc.) The question of a forged check is, of course, not presented in this case. Obviously, also, the case raises no question of the right of the drawer of a check after it has been passed to a bona-fide holder. (See 5 Am. & Eng. Enc. Law [2d Ed.], tit. "Checks," p. 1079.)

The judgment under review must be reversed. And as the agreed state of facts, adopted by the trial judge as the basis of his findings and spread upon the record, includes all facts essential to the determination of the controversy between the parties, it should be treated as a special verdict, upon which this court will render the same judgment that the trial court ought to have rendered. (Sullivan vs. Visconti, 68 N. J. Law. 543, 551, affirmed 69 N. J. Law, 452.)

Therefore, let judgment final be entered in favor of the defendant, with costs.

FALSE ENTRIES IN BOOKS OF NATIONAL BANK—CONSPIRACY TO MAKE.

United States Circuit Court of Appeals, June 7, 1904.

SCOTT vs. UNITED STATES.

In order to constitute the crime of making false entries in the books of a National bank, it is not necessary that the officer make the entries with his own hand; but it is sufficient if he causes them to be made by another person, especially if they are made in his presence and with his approval and assistance.

In error to the District Court of the United States for the Southern District of Ohio.

The plaintiff in error and one Harry J. Hoover were indicted, under section 5440 of the Revised Statutes of the United States (U. S. Comp. St. 1901, p. 3676), for conspiring to commit an offense against the United States; the offense being the making of certain false entries in a book of the People's National Bank of Newark, Ohio, in violation of section 5209 (U. S. Comp. St. 1901, p. 3497). The plaintiff in error was convicted on a plea of *nolo c ntendere*, reserving his objections to the sufficiency of the indictment by a demurrer and a motion in arrest of judgment, both of which were overruled.

Before Lurton, Severus and Richards, Circuit Judges.

RICHARDS, *Circuit Judge* (omitting part of the opinion): But it is insisted that the indictment is bad because it does not directly aver that the false entries were intended to be made, and were made, by the plaintiff in error, who alone of the conspirators was an officer or agent of the bank. The indictment charges the conspiracy broadly, and then sets forth the details. It alleges that the plaintiff in error and Hoover conspired to violate section 5209 "by making certain false entries upon the certificate of deposit register of the People's National Bank of Newark, Ohio," the plaintiff in error then being an officer of said bank, to wit, teller.

This is the broad charge. The details follow—that Hoover had been the Cashier of the bank, and had unlawfully appropriated more than $30,000 of its funds; that, to cover up this shortage, the plaintiff in error (then teller) and Hoover entered into a conspiracy to make certain false entries in the certificate of deposit register; the plaintiff in error to admit Hoover into the bank outside of banking hours, lay before him the register, and Hoover to stamp or mark the false entries. It is distinctly averred that it was a part of the conspiracy agreed to by both that the false entries should be made.

In criminal as in civil law, the maxim, "*Qui facit per alium facit per se,*" is applicable. To violate section 5209, an officer of a bank does not have to make the false entry with his own hand. It is enough if he cause it to be made—if another make it by his direction. (U. S. vs. Harper [C. C.] 33 Fed. 471, 480.)

In the present case, not only were the entries made by the agreement and direction of the plaintiff in error, but in his presence and with his approval and assistance. He was a trusted officer of the bank, having access to its vault and books, and charged with a duty respecting them. Cognizant of Hoover's defalcation, he conspired with him to cover it up. To falsify the books, he took Hoover to the bank outside of banking hours, laid the books before him, and stood by while the false entries were made. It was as if he opened the book, and Hoover applied the stamp. Done for a common purpose, the act of each was the act of the other. As an instrumentality in car-

rying out the conspiracy, we can no more separate Hoover from the plaintiff in error than we can the stamp which Hoover held from the hand which applied it. The fact that Hoover could not violate section 5209 by personally making a false entry did not and could not serve to exempt the plaintiff in error from responsibility under that section for Hoover's act, when, by reason of the conspiracy, it became and was his own.

The judgment of the lower court is affirmed.

COLLECTIONS—"NO PROTEST" SLIP—FAILURE TO RETURN UNPAID PAPER PROMPTLY.

Supreme Judicial Court of Massachusetts, June 22, 1904.

LORD, *et al.* vs. HINGHAM NATIONAL BANK.

Where paper is intrusted to a bank for collection, and from necessity of the case some other agency must be employed, the collecting bank is agent for the owner of the paper.

Where a draft was drawn in favor of the A Bank, and by it transmitted to the B Bank for collection, the B Bank was liable to the drawer of the draft for any damages suffered by the drawer owing to the failure of the B Bank to promptly return the draft after its non-payment.

A draft sent to a bank for collection was accompanied by a slip requesting that the draft should not be protested, and the letter of instruction accompanying the draft stated: "Return at once all items unpaid at maturity. They must not be held for the convenience of parties." In an action by the drawer against the bank for its negligence in failing to promptly return the draft after its non-payment at maturity, it appeared that it was the practice of some banks to retain no protest items notwithstanding such instructions, but that such practice was not universal. *Held*, that a finding that the bank by failing to comply with its instructions was guilty of negligence was warranted.

In an action against a bank for damages because of its failure to promptly return a draft sent to it for collection when the same was not paid at its maturity, it appeared that the drawee had property open to an attachment to an amount larger than the draft, and that while the bank held the draft for a month after maturity the drawee failed and made an assignment. *Held*, that plaintiff's damages were not remote as a matter of law.

BARKER, *J.*: 1. The defendant concedes that in case of drafts or other negotiable paper intrusted to a bank for collection, where, from the necessity of the case, some other agent must be employed, the collecting bank is agent of the owner of the paper. (See Fabens vs. Mercantile Bank, 23 Pick. 330; Phipps vs. Millbury Bank, 8 Metc. 79, 82.)

The first contention is that the plaintiffs had no legal title to the draft either as drawn or by any indorsement, and that, because they could not sue on the draft, they have no action against any party to whom it was transmitted for collection. But in the present case the Second National Bank of Boston, in whose favor the draft was drawn, was content to receive the draft, and to attempt its collection for the benefit of the plaintiffs, and so became their agent in the matter. This distinguishes the case from Allen vs. Ayers, 3 Pick. 298, and other cases cited for the defendant. There was the same privity between the plaintiffs and the defendant which is found wherever a contract turns out to have been made by one of the contracting parties as an agent for an undisclosed principal.

While the draft was accompanied by a slip specially requesting that it should not be protested, the letter of instructions also said: "Return at once all items unpaid at maturity. They must not be held for the convenience of parties." The non-protest slip was not inconsistent with and did

not waive these instructions. While the evidence tended to show that it was the practice of some banks to retain no protest items even when accompanied by instructions like those quoted, it also showed that it was not the practice of all banks, and the presiding justice found that the evidence offered did not prove a custom. This made it competent for him to find that a failure to return the draft at once when it was not paid at maturity was negligence on the part of the defendant in dealing with the draft. The evidence abundantly justified a finding that the defendant both failed to return the draft as directed and held it for the convenience of the drawee, in direct violation of instructions.

It cannot be said as matter of law that the plaintiffs' damages are remote. The drawee had property open to attachment to an amount much larger than the amount of the draft. The holding of the draft for nearly a month after maturity until he failed and made an assignment had, as a natural consequence, the entailment of a loss, which there is good reason to believe would have not been incurred if the defendant had at once returned the draft, as instructed to do, when it was not paid at maturity. The keeping of it by the defendant had for its natural consequence the deprivation of the plaintiffs of all opportunity to collect it by suit against a debtor who had unincumbered property in his possession open to attachment, and who did not intend to fail or make an assignment.

Exceptions overruled.

DIRECTORS OF NATIONAL BANKS—LIABILITY OF STOCKHOLDERS.

United States Circuit Court of Appeals, Seventh Circuit, April 12, 1904.

BOYD, *et al.* vs. SCHNEIDER, *et al.*

The depositors in a National bank may maintain an action against the directors to recover for losses caused by the negligent performance of their duties as such directors.

Where a number of depositors are affected by the same acts of negligence, they may join in one suit against such directors.

This was a bill in equity by a depositor of the National Bank of Illinois, on behalf of himself and all others who might join him, against the directors of the bank, to recover losses to the assets of the bank, otherwise distributable to the depositors and creditors, alleged to have been brought about by the negligence and misconduct of such directors.

Before Jenkins, Grosscup and Baker, Circuit Judges.

GROSSCUP, *Circuit Judge*, after the foregoing statement of facts, delivered the opinion of the court:

We do not deem it necessary to pass on the question whether, between directors of a National bank and its depositors, there subsists such a trust relation as would bring this case, as one arising out of a trust, under equitable cognizance; nor need we pass upon appellants' contention that the Receiver of a National bank, being a trustee for the depositors, who has refused to bring action, courts of equity on that account are clothed with jurisdiction to proceed against the directors at the suit of the depositors. In our judgment the case stated in the bill is one of equitable cognizance, but on considerations entirely distinct from the propositions just stated. To this we will recur after dealing with some of the affirmative propositions of the appellees.

The chief insistence of the appellees is, that the right of action stated in the bill, if anything at all, is an asset of the bank vested by law in the

Receiver on his appointment, and therefore not one on which simple contract creditors are entitled to bring suit. If there be no privity of contract, or obligation of duty, between the directors and the depositors, this contention may be sound; but if the nature of the contract of deposit is such that the duty of the directors in the premises runs directly to the depositors, there can be no doubt that the depositors can, in their own right, bring such action as may be essential to the fulfillment of their rights. This leads to an examination of the nature of the relation that subsists between the directors of the bank and its depositors.

The relation of depositors to the bank, and so far as directors stand liable for the doings of the bank, the relation of the depositors to the directors, while that of debtor and creditor, is something more than the mere relation of debtor and creditor. The contract of deposit is a loan; but not a loan pure and simple. On the acceptance of the deposit, a promise is raised that the bank will repay it on demand, or at the time stipulated; and to that extent the transaction is a loan. But when this much is said, the whole contract is not stated. The parties deal with each other on a basis, not merely that of borrower and lender, but on the basis, that the party receiving the money is a bank, organized under the laws of the United States, and subject to the provisions of law, present and future, relating to the custody and disposition of the money deposited; and that the party loaning the money is a depositor, leaving his money with the bank on the faith that such provisions respecting the custody and disposition of the deposit will be observed.

In legal effect, the depositor says, here is my money; in consideration of its reception, and such interest as you pay, you can have its use; but only on this condition, that the use conform to the safeguards provided by the law. The acceptance of money thus tendered, implies that the bank and its directors, so far as they are responsible for the doings of the bank, agree to conform to the conditions named. The law governing the custody and disposition of deposits thus enters into and forms a part of the relation created between the parties (Walker vs. Whitehead, 16 Wall. 314); thereby creating direct privity of relation between the directors and the depositors.

The bill clearly shows that the deposits in the custody of the National Bank of Illinois, as an entirety, were used and disposed of contrary to the provisions of law relating to custody and disposition. The deposits were disposed of in sums and to persons forbidden by law; and were used to pay dividends when no dividends had been earned. The bill shows also, that the directors had knowledge of some of these violations of law, such as the payment of dividends out of the capital stock, and the increase of loans in large amounts to the Calumet Company, after notice from the Comptroller that such loans were contrary to law; and also, that of other violations of law they would have been advised, had reasonable diligence on their part been exercised. It seems clear to us that, on such a state of facts, the directors are answerable in some kind of action, directly to the persons to whom their duty ran; and that, to the extent that the depositors suffered losses therefrom, the right of action, whatever it may be, runs directly to the depositors as a class. The question is not determined by whether the amount thus recovered might not become an asset of the bank; but whether, aside from that, the depositors may not enforce the liability as a right special to them—a right growing out of the contract of deposit, and not common, therefore, to stockholders and

other creditors not depositors. Unless the National Banking Act cuts deep enough to cut out these individual rights of action, the depositors have, in some form, a right to bring action on the claims set forth.

The National Banking Act provides a system for the collection of the assets of an insolvent bank, and their distribution among creditors. The legal machinery for this is a Receiver appointed by the Comptroller of the Currency, and removable by him, in whom is vested all rights of receivership, to the exclusion of all other receivers or assignees; assessments leviable by the Comptroller against the stockholders; and procedure for the allowance of claims, the payment of dividends, and the distribution of money thus collected. All this, however, is in the nature of administration. Barring the matter of assessment, it puts into the hands of Receiver and Comptroller only such powers as the bank itself had before becoming insolvent. It substitutes for the bank solvent, the machinery provided for the bank insolvent. Now, the bank solvent, may sue and be sued, complain or defend in any court of law or equity, as fully as natural persons. We see in the act no reason to say that the bank insolvent does not possess the same status; only it is exercisable through the receivership provided by law. There is no provision that exempts the insolvent bank or its directors, from suit (Kennedy vs. Gibson, 8 Wall, 498); no provision that evinces an intention on the part of Congress that persons having direct legal relations with insolvent banks, or their directors, may not have such relations interpreted and enforced through the judicial department of the Government.

The cases called to our attention by the appellees do not bear upon this point. (*In re* Manufacturers' National Bank, 5 Biss. 499, Fed. Cas. No. 9,051; Washington National Bank vs. Eckels [C. C.] 57 Fed. 870; Kennedy vs. Gibson, 8 Wall. 498; Pahquioque Bank vs. Bethel Bank, 36 Conn. 325.) These cases hold that National banks cannot, at the suit of creditors, be thrown into bankruptcy, or their affairs wound up in accordance with the statutes of States providing for the winding up of corporations. But proceedings to wind up, and bankruptcy proceedings, are essentially administrative. No one doubts the power of Congress to provide the machinery for such administration, and no one doubts the intention of Congress, in the enactment of the National Banking Act, that to the extent National banks were concerned, such machinery should be embodied in the powers conferred upon the Comptroller. But it is one thing to make provision for the administration of the affairs of an insolvent or dead bank—provision that will exclude all other forms of administration; and quite another thing to deny to parties their constitutional right to appeal to the courts for the enforcement of contract or other legal obligations. So distinct are these matters in their legal nature, that we cannot conclude from the presence, in a statute like the National banking statute, of the one, an intention to include also the other. On the whole matter our conclusion is, that considering arguendo that the Receiver might have brought the action stated in the bill, his right to bring such action is not exclusive; and that, to the extent the directors are responsible specially to the depositors, the depositors have a right of action—an action, adequate to the fulfillment of the obligation due the depositors by the directors.

The remaining question is, whether the remedy should have been in the form of actions at law, or a suit in equity such as this.

The case, as already stated, appears to us to be one clearly of equitable cognizance. The rule relating to equitable jurisdiction applicable to this case is laid down by Pomeroy as follows: Where a number of persons have separate or individual claims and rights of action against the same party, all arising from some common cause, governed by the same rule, and involving similar facts, so that the whole matter might be settled in a single suit brought by all the persons uniting as co-plaintiffs, or one of the persons suing on behalf of himself and others; or, where one party has a common right against a number of persons, the establishment of which would regularly require a separate action brought by him against each of these persons, instead whereof he might procure the whole to be determined in one suit, a bill in equity will lie on the ground that it prevents a multiplicity of suits. (Pomeroy, Equity Juris. [2d ed.] vol. 1, sec. 245.)

The case stated in the bill goes—in the matter of equitable cognizance—even beyond the rules thus laid down. It is a case not alone of a number of persons having separate and individual claims against one party, arising from a common cause; or one person having rights against a number of persons, arising from a common cause; but the case of a number of persons having each a right against a number of persons, all arising from a common cause. To this, too, must be added the further consideration, that neither of the depositors could, by separate suits at law, recover that to which he is entitled; for the defendants to such suits, being directors who served varying terms, and subject, therefore, to varying obligations, could not be called to complete accounting and apportionment in a suit at law. Our conclusion is that the bill filed is the proper way to obtain an enforcement of whatever rights the depositors individually, or as a class, may have against the directors individually, and as a class. Indeed, both our conclusion on this point of jurisdiction, and on the right of depositors to bring the action directly, without the intervention of the Receiver, seems to be sustained, indirectly at least, in Briggs vs. Spaulding, 141 U. S. 132. There the suit was in equity by a depositor—the First National Bank of Buffalo through its Receiver—against the directors, and no question seems to have been made that the suit in that form would not lie. While but four of the Justices were for sustaining the depositors' claim, the other five denied it, not on the ground that the suit would not lie, but that the claim was not made out by the proofs.

LIABILITY OF DIRECTORS—DEGREE OF CARE REQUIRED FROM—NEGLIGENCE.

Supreme Court of Missouri, Div. No. 2, July 2, 1904.

STONE vs. ROTTMAN, *et al.*

The director of a bank is only required to act in good faith and to exercise such a degree of care as a reasonably prudent man would exercise under the same circumstances; not that which a prudent man would exercise in his own business.

The custom of appointing discount and examining committees to attend to the details of the management of the business of a bank is a reasonable one.

This was an action by William J. Stone, as Receiver of the Mullanphy Savings Bank against John A. Rottman and others to recover for damages sustained by the bank through the negligent performance of their duties as directors of such bank.

FOX, *J.* (omitting part of the opinion): The conclusion of the referee, as disclosed in his report, is that the appellant in this cause was guilty of such negligence in the discharge of the duties imposed upon him, by reason of the position he occupied in the bank, as rendered him liable to the plaintiff, who is the representative of the bank corporation. The proposition confronting this court upon this appeal is simply narrowed down to the one question: Are the conclusions of law by the referee, predicated upon his findings of fact, correct or incorrect? The referee in this cause, after referring to the essential allegations in the first count in the petition upon which this judgment is based, proceeds in his report, as applicable to this case, to state his conclusions. They are thus clearly stated:

"The referee is of the opinion that the directors of a bank are not to be charged as strict technical trustees. In a certain sense they are undoubtedly to be considered trustees, but only in that sense in which an agent or bailee intrusted with the care and management of property is considered a trustee. A director more nearly resembles a managing partner. (Spering's Appeal, 71 Pa. 11, 10 Am. Rep. 684.)

The degree of care directors are bound to exercise cannot be better stated than in the opinion of Chief Justice Fuller in the leading case of Briggs vs. Spaulding, 141 U. S. 132, loc. cit. 150: 'No one of the defendants is charged with the misappropriation or misapplication of, or interference with, any property of the bank, nor with carelessness in respect to any particular property, but with the omission of duty which, if performed, would have prevented certain losses, in respect of which complainant seeks to charge them. * * * Treated as a cause of action in favor of the corporation, a liability of this kind should not lightly be imposed, in the absence of any element of positive misfeasance, and solely upon the ground of passive negligence; and it must be made to appear that the losses for which defendants are required to respond were the natural and necessary consequences of omission on their part. * * * In any view the degree of care to which these defendants are bound is that which ordinarily prudent men would exercise under similar circumstances, and in determining that the restrictions of the statute and the usages of business should be taken into account. What may be negligence in one case may not be want of ordinary care in another, and the question of negligence is therefore ultimately a question of fact, to be determined under all the circumstances.'

And again, in the same case (page 165, 141 U. S., page 935), he says: 'We hold that directors must exercise ordinary care and prudence in the administration of the affairs of the bank, and that this includes something more than officiating as figureheads. They are entitled under the law to commit the banking business as defined to their duly authorized officers, but this does not absolve them from the duty of reasonable supervision, nor ought they to be permitted to be shielded from liability because of want of knowledge of wrongdoing, if that ignorance is the result of gross inattention.' Judge Hughes said, in Trustees vs. Bossieux (D. C.) 3 Fed. 818 (s. c. [D. C.] 3 Fed. 387): 'If, by reckless inattention to the duties confided to them by their corporation, and frauds and misconduct are perpetrated by officers, agents, and co-directors, which ordinary care on their part would have prevented, then I think it may with truth be said that it is now elementary law, to be found in all the books, that directors are personally liable for the losses

resulting; i. e., for gross negligence, or what the jurists call "crassa negligentia."' (Stapleton vs. Odell [Sup.] 47 N. Y. Supp. 15; Savings Bank vs. Caperton [Ky.] 8 S. W. 885, 12 Am. St. Rep. 488.)

"The referee is of the opinion that the director of a bank is only required to act in good faith, and to exercise such a degree of care as a reasonably prudent man would exercise under the same circumstances. He is not bound to exercise the same degree of care which a prudent man would exercise in his own business. This is too high a standard. 'To expect a director under such circumstances to give the affairs of the bank the same care that he takes of his own business is unreasonable, and few responsible men would be willing to serve upon such terms. In the case of a city bank doing a large business, he would be obliged to abandon his own affairs entirely. A business man generally understands the details of his own business, but a bank director cannot grasp the details of a large bank without devoting all his time to it, to the utter neglect of his own affairs.' (Swentzel vs. Penn Bank, 147 Pa. 140.)

A director is expected to attend the meetings of the board with reasonable regularity, and to exercise a general supervision and control. He is not required to know the details or contents of the books and papers. 'The framers of the organic and of the statute law must be held to have understood how the business of a bank is conducted. They must have known that the directors are drawn from the busiest men in the community; men who have carved success out of chaos, who have succeeded where the great multitude have failed; men who are not expected and could not afford to give their whole time to the business of the bank. The lawmakers knew that the active management of a bank usually devolves upon the President and Cashier, and that to the latter is usually intrusted the management of the details. They knew that few directors had the time, and fewer still the capacity, to examine the books of a bank and ascertain its solvency; that even in their own business they could not take off a trial balance from the books they employed experts to keep for them, either because they had not the time to do so themselves or because they did not have the capacity to do so.' (Utley vs. Hill [Mo. Sup.] 55 S. W. 1091, loc. cit. 1100, 49 L. R. A. 323, 78 Am. St. Rep. 569; (Queen vs. Hincks [cited in Thompson on Liability of Agents, etc., p. 474]; Dunn vs. Kyle's Ex'r, 14 Bush, 134; Savings Bank vs. Caperton, 87 Ky. 306.)

The custom of appointing discount and examining committees to attend to the details of the management of the business of a bank is a reasonable one, and one almost necessary in the conduct of banks in large cities, where directors are drawn from the busiest men in the community, who cannot be expected to give sufficient time to grasp the details of the business. (Morse on Banking [3d Ed.] §§ 115, 116; Thompson on Liability of Officers and Agents, etc., § 3998.)

"Upon the organization of the Mullanphy Savings Bank by-laws were adopted. These provided for the creation of discount and examining committees, to whom were intrusted the duties of looking after details of the business management. These by-laws were afterward, in January, 1880, early in the history of the bank, formally ratified by the stockholders. This mode of conducting the business of the bank was well established long before any of the defendants became members of the board. It is too late now

to charge that it was not proper. The directors of a bank should exercise the greatest care and prudence in appointing the President, Cashier, and the members of the managing committee, and having used such care to select honest and capable men, they cannot be held liable as insurers of their fidelity. (Clews vs. Bardon [C. C.] 36 Fed. 621.)

In the case of Percy vs. Millaudon, 6 Mart. (N. S.) 616, 17 Am. Dec. 196, cited, with approval by the plaintiff in his brief, the court said: 'If nothing has come to their knowledge to awaken suspicion of the fidelity of the President and Cashier, ordinary attention to the affairs of the institution is sufficient. If they become acquainted with any fact calculated to put prudent men on their guard, a degree of care commensurate with the evil to be avoided is required, and a want of that care certainly makes them responsible.' (Williams vs. McKay, 40 N. J. Eq. 189. Movius vs. Lee [C. C.] 30 Fed. Rep. 298.)

In the absence of any just ground of suspicion that there is something wrong or dishonest going on in the bank, it is not negligence in the other directors to accept the statement of those specially charged with the duty of making those statements. As was said by Judge Monk in Queen vs. Hincks, supra: 'The ordinary director must have confidence in his co-director until he suspects that there is something wrong or dishonest going on in the bank.' On this point we can adopt the language of the highest court in this country as applicable to the case at bar with equal force as in the case in which it was used: 'They [directors] are not required to adopt any system of espionage over their officers [and committeemen], or to entertain any suspicion without some apparent reason, and until some circumstance transpires to awaken a just apprehension of their want of integrity. They have a right to assume that they are honest and faithful. * * * Should any circumstance transpire to awaken the just suspicion of their want of integrity. and it is suffered to pass unheeded, a difference would prevail." (Briggs v. Spaulding, 141 U. S. 132, 11 Sup. Ct. 924, 35 L. Ed. 662.)

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be promptly sen by mail.

Editor Bankers' Magazine: KINGSTON, N. Y., October 22, 1904.

SIR: The opening in a bank counter is about two inches high. A customer comes in, hands in a pass-book saying he wishes to deposit fifteen dollars. The attendant takes the book to make the entry and turns away from the window. The customer places the money inside the opening, turns away for a moment and on returning for the book the officer says, "There's only five here." The ten has disappeared; blown away or taken by some one. When the money was placed inside the opening and he did not take it or claimed not to have seen it, was he not responsible? Was it not placed in his possession when it was placed in the only place provided for it? To place it in his hands was prevented by the partition. The officer being at all times within two feet of the fund. W. H. KNIFFIN, JR.

Answer.—The question involved in this inquiry is mainly one of fact. If the money had passed into the possession of the bank, or its officer, then the bank is liable for the amount; but if it was still in the possession of the customer, the loss must fall on him. The question of possession would have to

be determined upon all the circumstances of the case, and in the event of a trial would be for a jury to decide as a question of fact, and not for the ruling of the court as a matter of law.

Editor Bankers' Magazine: HARTFORD, Conn., September 8, 1904.

SIR: A draws his check on the First National Bank, of New York, to the order of B for $1,000. B endorses it over to the order of C: C endorses it over to the Second National Bank, of Hartford, who endorse it over to the First National Bank, of New York, and forward it for payment. The check is lost in the mails and the day after it should have been received and paid, the maker (A) fails. Who loses the amount of the check? F. F. FISHER.

Answer.—The ordinary rule is that where paper is indorsed over to a bank, the title passes to the bank, and the depositor becomes liable as an indorser. If the paper is dishonored, it is the duty of the bank to take the necessary steps to charge the indorser. In the present case, of course, the paper itself cannot be presented; but demand may be made upon a copy. In this case, however, there is the further difficulty that by reason of the delay in making presentment, the check is no longer good. But by the Negotiable Instruments Law, in force both in Connecticut and New York, "delay in making presentment for payment is excused when the delay is caused by circumstances beyond the control of the holder and not imputable to his default, misconduct or negligence." (Sec. 81.) And we think this provision covers a case where paper properly deposited in the post office is lost in the mails. We are of opinion, therefore, that if the Hartford bank can prove that the check was deposited in the post office in a securely-fastened envelope, bearing the proper amount of stamps, it may hold both the indorsers; but for this purpose, it must also show that due demand of payment has been made on a copy, and due notice of dishonor given. (Neg. Inst. Law [Conn.] Sec. 170.)

Editor Bankers' Magazine: ——, Mass., October 23, 1904.

SIR: Please inform me if the deposit of a customer in a National bank can be attached and trusteed. I have understood that the National Bank Act forbids attachments against National banks. DIRECTOR.

Answer.—The National Bank Act forbids the issue of an attachment against a National bank or its property before final judgment. (Rev. Stat. U. S. Sec. 5242.) But this prohibition applies only where the effort is to reach the funds or property of the bank; it does not cover cases where the purpose is merely to reach the property of other persons in the possession of the bank. (Earle vs. Pennsylvania, 188 U. S. 449.) In the case cited, the Supreme Court of the United States said: "Whatever may be the scope of Section 5242, an attachment sued out against the bank *as garnishee* is not an attachment against the bank or its property, nor a suit against it, within the meaning of that section. It is an attachment to reach the property or interests held by the bank for others."

CHANGES IN POPULATION AND MANUFACTURES.—In the last twenty years the center of population has moved to Indiana, the center of farm values from eastern Indiana to western Illinois, and the center of farming area from eastern Illinois to central Missouri. Twenty years ago the center of the manufacturing industry was in western Pennsylvania; to-day it is in central Ohio. The center of the farm income of the United States now rests on the Mississippi River; and, while land values have declined in New England, they have increased by more than 100 per cent. in the West.—*The World's Work.*

MAKE BANK DEPOSITS SAFE.

In October, 1903, I witnessed a run on the trust companies of St. Louis, one of the strongest monetary centers in the United States. This senseless run arose from an uncontrollable feeling of panic which started with an unreasoning few and was communicated by suggestion to the masses. It might occur anywhere and almost as suddenly as a western tornado. Suppose something was done to prevent runs on banks by making deposits so secure that nobody would have any apprehension as to the safety of his money. Then one element of uncertainty would entirely disappear.

Since the organization of the National banking system forty years ago, Congress has always provided for the absolute security of National bank notes, so that no holder could lose anything on them. For example, the second National bank that failed had $85,000 in notes outstanding at the time of failure. The Receiver was appointed on May 1, 1866, and the affairs of the bank were finally closed nineteen years later, on February 2, 1885. It was a very bad failure. Depositors got back less than twenty-four per cent. of their money, without interest. The capital was $300,000, and the amount of assessment upon shareholders the same, while the whole amount collected from the assessment was $1,245; that is, not one-half of one per cent. The bank was a designated depositary of the United States, and $181,377 of the public deposit was lost. But the note-holder lost nothing. To secure the notes the Treasurer of the United States held $100,000 in United States bonds, and the amount realized from the sale of the bonds was $125,114, which was $40,000 more than the face value of the notes outstanding. The notes were as good after the failure as before it. If any have not yet been presented for redemption, they are as good as ever now. The security of National bank notes has been perfect.

Only once more did the United States Treasury lose by the failure of National banks. The sixth failure among them, which occurred in the following year (1867), caused a loss of $33,383 in public deposits. Since then the Government has taken such ample precautions that it has not lost a penny of its deposits in National banks. According to the law the Secretary of the Treasury shall require designated depositaries to give satisfactory security, by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of the public money deposited with them. At first personal bonds were used as security for deposits in larger measure than Government securities. In 1864 there was reported pledged for deposits in banks $10,000,000 in Government securities, and $19,000,000 in personal bonds, while in 1865 for deposits of $32,000,000 the security included only $25,000 from individuals. Personal security continued to be accepted occasionally up to 1883. The Government bonds have been accepted at various rates at different periods, from sixty-six per cent. of par to their face value, and all classes of them when registered now appear on the Treasury books dollar for dollar as security for deposits. Since October, 1902, State and city bonds serve at rates and to an extent fixed by the Department for the like purpose.

Thus all public deposits in United States depositaries are fully secured by collateral, which the Secretary of the Treasury exacts from the depositary banks and holds for the protection of the Government. The idea is not to trust the bank with a single dollar of the Government's money without receiving collateral in return to cover the amount fully. This system is carried out so rigidly that the Govern-

ment has never had but two losses (aggregating $214,761) under the National banking system, and none at all for the past thirty-seven years, though it has had at one time as high as $170,000,000 in 713 National banks.

The other deposits in National banks, those deposits which people sometimes get into a panic over for fear of losing, are not secured. But suppose these deposits were as fully secured as National bank notes and public deposits? Would there be any run on a National bank them? What person would then withdraw deposits except for use?

There are so many National banks in this country, their deposits are so large, and losses to depositors through failures of banks have been so few, that it is known a small annual assessment on all National banks would cover any deficiency of assets or of assessments on stockholders to pay in full all depositors of failed banks. A few examples will demonstrate this.

In the year 1869 only two National banks failed; the loss to depositors was about $50,000, and the aggregate deposits of all the then existing 1,620 National banks was $700,000,000. An assessment on all the banks of only eight cents for every thousand dollars of their deposits would have covered this loss to depositors. In the two years from October, 1869, to December, 1871, no National bank failed. In 1880 three banks failed, but paid in full with interest. In 1902 four banks failed and, though the affairs of all were not yet finally closed at the date of the last published report, the total loss to depositors can not exceed $80,000. As there were 4,600 banks, an assessment of less than $18 apiece would have made good every loss to depositors for the year. Or, as their deposits aggregated $3,844,000,000, an assessment of two cents on every thousand dollars of deposits would have sufficed. The largest loss to depositors for any one year was $4,100,000, when twenty-two banks failed during the fiscal year 1891. Such a loss at present, with the aggregate deposits $4,800,000,000, would require an assessment of eighty-six cents per thousand dollars. In 1891, with the deposits $1,800,000,000, the assessment would have had to be $2.27 per thousand dollars. An assessment of fifty cents to-day would amount to as much as one of $3 in 1879, because the deposits are six times larger now. In 1887 there was a deficiency of $2,000,000 in the assets of the banks that failed in that year, which would have required an assessment of $1.45 per thousand to cover. At present an assessment of forty-two cents would pay as large a deficiency. There has been no such deficiency since the hard times of 1893 97. In the five years from 1898 to 1902 inclusive, when the average of deposits was $3,259,000,000 and the average deficiency not $325,000, an assessment of ten cents per thousand dollars (1-100 of one per cent.) would have been sufficient.

The arrangement, fairest to all parties, appears to be a limited assessment, not exceeding in any one year a dollar per thousand; that is one tenth of one per cent. Just now this would be many times more than necessary. With the present volume of deposits it would exceed the deficiency in any single year as yet known under the National banking system. In no two years and in no three consecutive years has the deficiency amounted to as much as twice this assessment ($9,600,000). Since the affairs of all the failed banks are not yet finally closed, the average annual deficiency has to be estimated. For the forty years from 1864 to 1903, inclusive, it will not exceed $1,000,000, and may prove to be $800,000 or less. Such a deficiency would mean this year an assessment of from seventeen to twenty-one cents per thousand dollars. For convenience the average assessment of future years may be stated as twenty cents per thousand dollars, which is one fiftieth of one per cent. And this percentage will be still less if the deposits increase in volume as they have been doing and are likely to do.

Under such a system of secured deposits, when any National bank failed, the depositors would simply be notified that their deposits had been transferred to an-

other bank. The deposits would continue to be available without interruption for a single day.

No mere run of light headed depositors ever produced widespread panic. The real mischief begins when banks distrust one another, and country banks draw inordinately on their reserve agents at New York and the other principal cities. If a country bank knew its deposits with its reserve agent were fully secured, there would be no occasion for drawing except for use in the regular order of business, which would be harmless.

With their deposits fully secured, National banks would inspire such universal confidence that large amounts of money still hoarded from distrust of banks would be placed in them and give them a profit which would much more than offset the trifling annual assessment necessary to insure their deposits.

While this system, if applied only to National banks, can be established by a single act of Congress, it would require legislation in the several States to secure the deposits in State banks and trust companies throughout the Union. But runs on State banks or trust companies can not produce a general panic so long as deposits in National banks are known to be safe. The practical question is, first of all, to make runs on National banks impossible forevermore.

It would be difficult to conceive of a financial measure that would be so gratefully welcomed and highly appreciated by the multitudes of men and women who deposit in National banks, as an act of Congress providing for the perfect security of their deposits. It is mere prudence for the public to demand that, at the short session beginning December 5th next, Congress shall pass the necessary legislation to secure depositors in National banks against loss on their deposits.

James C. Hallock.

FORMOSA ISSUES GOLD CURRENCY NOTES.

(From United States Vice-Consul, A. C. Lambert, Tamsui, Formosa.)

The Formosan Government has passed laws which have for their object the improvement of the island's currency, and permit the Bank of Taiwan, which is practically a Government institution, to issue, under its own name, bank notes of over one yen (49.8 cents) in value, to be redeemable in gold. Hitherto the bank has been permitted to issue only notes redeemable in silver.

It is the intention of the bank to gradually substitute these gold currency notes for the present silver ones, and it is believed that the action will have little effect on the local money market. It is probable that the local rate of exchange between silver and gold will remain somewhat lower than outside rates, as the bank will be anxious to redeem its silver paper at as cheap a rate as possible.

The government has been quietly working to bring about this enactment for some years. The confidence of the native Chinese in the bank's silver certificates has been thoroughly established, so that there will be little difficulty in persuading them to accept the new issue.

It will be a long time before silver-dollar coins will be entirely eradicated from the island's currency, on account of the inrooted desire on the part of the Chinamen to handle solid cash in preference to notes. A large quantity of silver money is yearly shipped to the China coast after each tea season, and with the present five per cent. duty on all defaced silver coins imported into Formosa, the tendency will be for less and less to return. It will also take several years for the Taiwan bank to call in its silver notes, as these have a large circulation all over the southern and middle China coast.

THE EXPANSION IN CANADIAN BANK CIRCULATION.

IS IT DUE TO INFLATION OR THE EXPANSION OF BUSINESS?

In the August number of THE BANKERS' MAGAZINE there appeared an article entitled "Bank Circulation in the United States and Canada," the author of which seemed inclined to attribute part at least of the expansion in the volume of Canadian bank-note issues to inflation and not to the legitimate needs of the business of the country. Some of the statements made clearly show that the writer's knowledge of the subject, in so far as Canada is concerned, is academic rather than practical.

In the first paragraph reference is had to an article in the July number of the MAGAZINE on the subject of the upward and downward movements of the volume of Canadian bank-note issues since Confederation and to the figures therein given. But in considering these he leaves out of account the fact that besides the large fluctuations extending over a period of years there are the rapid movements covering in some cases a few weeks only which take place within the calendar year. The relationship of these latter movements to the ordinary business of the country is perhaps more easily grasped than that of the larger but slower ones spreading over a cycle of years. They are as regular in their time of coming as the seasons of the year, but as irregular in amount as the harvests of successive years. Ever since Confederation the highest point of the yearly circulation has been reached in October, with but few exceptions. There are usually two dips each year, one culminating about January, the other in May or June. During the thirty years from 1867 to 1896 the lowest annual point was usually reached in the second of these dips, but from 1897 down to the present time it has been transferred to the month of January. The reason for this change would be an interesting subject for investigation. The amount of these annual fluctuations is shown in the following table of percentages, the years chosen being those which marked the lowest and highest points of the long-term movements referred to in the July and August numbers of this MAGAZINE:

	Per cent.		*Per cent.*
1867	29.31	1894, low point	21.24
1873, high point	15.11	1900, rising movement	28.74
1877, low point	36.11	1901, " "	20.67
1882, high point	20.60	1902, " "	35.69
1884, low point	21.14	1903, " "	28.05
1892, high point	23.27		

It is interesting to note that the fluctuation between the low point reached in January, 1900, and the high point in October, 1903, a period of less than four years, was 70.57 per cent.

It is manifestly impossible to attribute these rapid changes to inflation. The Government statements show that during the past seven years the low point of one year has been reached within three months of the high point of the preceding year, showing that contraction takes place even more rapidly than expansion. The greatest fluctuations in the whole period of thirty-eight years have occurred, one at the bottom of the dip in 1877, the other on the rising tide in 1903. The latter is probably explained by the abundant harvest of that year. To support the theory of inflation it would seem that the fluctuations should be least at the high points—the zenith of expansion, but this is by no means the case.

The next point that calls for remark in the article under review is the claim that Canadian bank-note issues cannot readily respond to the influences which cause contraction and expansion because they have not the whole field to themselves, but are subject to competition from the Government note issues. The figures just given perhaps render an answer to the argument unnecessary, but the erroneous assumption upon which it is based is worthy of correction.

While Canadian bank-note issues do circulate alongside Dominion notes, there is little or no competition between them. The only Government issues in the hands of the public are the small change notes, ones and twos with a few fours. Probably nine out of every ten Canadians have never seen a Government note larger than $4, and do not know that they exist. The large notes of $500 and upwards, which form the bulk of the Government issues, are held entirely by the banks for reserve purposes, and most of these denominations are in the form of a special note issue, negotiable only between chartered banks, which are used for settlement purposes at clearing-house points. The following shows the percentage of the different denominations issued by the Government: $500 to $5,000, 67.22 per cent.; $1 and $2, 29.90 per cent.; $4 to $100, 2.88 per cent.

The banks are not allowed to issue notes below the denomination of $5, and therefore it is found that only a paltry 2.88 per cent. of the Dominion note issue can be said to compete with the notes of the banks, the latter having a practical monopoly of the denominations from $5 to $100, which are the ones required in the overwhelming majority of ordinary business transactions.

I will now pass on to the two reasons given by the writer under review for the supposed lack of susceptibility on the part of the Canadian bank-note issues to those influences which tend to contraction. These are:

(1) The security of the note issue.

(2) The expense of redemption.

Security and Elasticity not Incompatible.

It is difficult for the Canadian to suppress a smile at the statement that security and elasticity in a bank-note issue are incompatible. The conditions which exist around him prove otherwise. Certainly the founders of our banking system never sought to use the element of distrust as a factor in promoting redemption. They found a sufficiently strong motive for this purpose in the profit to be made thereby. But just here let me draw attention to the distinction which exists between two classes of note holders—the public and the banks. It is true that the ordinary individual holder of bank notes has no motive to present them for redemption. The notes are perfectly safe—as good to him as the gold or Government notes in which they are redeemable, and much more convenient than the gold. He may want to deposit them, but for this purpose they are worth just as much at the counter of any other bank than the one which issued them. But not so with the bank holder. If the notes are issued by its competitors a bank is impelled by sheer self-interest to do all it can to withdraw them from circulation in order to create a vacuum in the volume of the country's circulation into which it may pour its own notes. It strives in every way to increase the volume of its own notes outstanding and thus to borrow without interest what it may lend again at a profit. Besides the more notes of its competitors it sends in for redemption the smaller will be the drain on its own cash reserves in the resulting settlements, or it may even be able to increase its reserves in this way. The actual *modus operandi* of this process was fully explained by Mr. H. M. P. Eckardt in the December, 1903, number of The Bankers' Magazine and need not be repeated here.

How, then, do the Canadian banks view the expense which undoubtedly does attend the redemption of the note issues? Simply as a business man views the out-

lay of $1 in such a manner that it will bring him $2 in return. And so the normal position of the Canadian banks is simply this: each bank is striving its utmost to extend the circulation of its own notes and all its competitors are banded together against it to reduce that circulation to the lowest possible figure. What room, may I ask, does this leave for inflation?

There is but one other statement to which I wish to call attention. It is that checks and drafts are not so much used among business men in Canada as in the United States. I unhesitatingly pronounce this to be without foundation in fact. A residence of some years in New York city would lead me to believe that the reverse is true, and that the ease with which a bank account may be opened in Canada, the very competition which exists among the various banks to extend their facilities to all who can possibly make use of them, has led to the keeping of a bank account by many a small retailer or salaried man to whom in other countries no thought of such a thing would come. Even among women the habit is growing, especially of keeping an account in the Savings bank department of some chartered bank, and the growth of this custom is evidenced by the establishment of a special woman's department in a number of banking offices. Probably in no other country in the world do the banks cater more fully to the wants of the smallest depositor or feel under the same obligation to provide for the legitimate requirements of their regular borrowing customers. The latter look to their banker for financial advice much as they would to their solicitor for legal advice, and the relationship oftentimes becomes as confidential and intimate in the one case as in the other. A. St. L. Trigge.

Toronto.

World's Production of Gold.—The final estimate of the world's production of gold in 1903, as given by George E. Roberts, Director of the Mint, on September 30, is $325,527,200. The estimated production of silver was 170,443,670 fine ounces, or $92,039,600 commercial value. These figures show a gain of $29,687,600 in gold and 9,109,331 ounces in silver. The commercial value of the silver output is $6,-532,400 greater than in 1902, at the averave price of fifty-four cents per ounce, compared with fifty-three cents in the previous year.

The most important gains in gold were $28,974,400 in Africa and $7,681,300 in Australasia, and the most serious loss was in the United States. The most important change in silver production was in Mexico, which reports an increase of 10,323,-338 fine ounces. Australasia showed a gain of 1,656,819 ounces.

The gold production of the United States last year is placed by Director Roberts at $73,591,700, as against $80,000,000 in 1902. The falling off was due almost entirely to the strikes in Colorado, where there was a decrease in production amounting to nearly $6,000,000.

Oldest Coin in the World.—An archaeological find of the greatest interest has been made by Pastor Lohmann, Chairman of the German Society for Scientific Research in Anatolia. During his recent journey in North Syria a coin of pure silver, excellently preserved, was offered to him, which on examination proved to bear a perfect Aramean inscription of Panammu Bar Rerub, King of Schamol, who reigned 800 years before Christ. It is the oldest known known coin in the world. Up to the present the Lydians have always been regarded as the inventors of money, but this new find shows that the Semitic Arameans, who lived two centuries before the Lydians, are the oldest known coiners of money. Apart from this discovery, Pastor Lohmann found several new Hittite bas-reliefs at Marach.—*The London Standard.*

THE BANK CLERK AND THE BANKERS' CONVENTIONS.

The convention of the American Bankers' Association held in New York brought to the writer's mind this question: "What use are the bankers' conventions to the bank clerk?" The first answer suggested by the question is, that they are not intended for the clerk; and so nothing is done with the object of especially interesting, benefiting and attracting the clerk, outside of reports, discussions and actions concerning the American Institute of Bank Clerks. There is another answer: it is that it depends upon the clerk as to what use the conventions are to him. He may deplore the fact that he is tied, figuratively, behind the grills; or like a canary, confined in his cage during the sessions of the convention; so that even if it meets in his own city he is not able to attend. Many of the New York city bank clerks no doubt felt this to be true during the recent convention. To the social functions the clerk is not invited, and of course is not expected. But this feature of the gatherings was not in mind when the question was asked.

At the regular sessions of a convention where the business is transacted, papers read, speeches made and matters discussed pro and con., the clerk would be allowed to come and get all the profit he could from it. And an observant man could get much even from one session, especially if there were matters of interest presented. Besides what he would hear from the platform, the personal contact with the men at the head of the various institutions represented would be an inspiration. To see, speak to and shake hands with the officers of the banks with which your bank corresponds, puts a new interest into your work. There is a magnetism about every man; in some cases it is greater than in others, so that it leaves its impression, and that impression is not easily effaced. It is true that at times we meet men whose appearance is repulsive instead of attractive, and with whom we feel we would rather not have any business relations. Fortunately, these men are scarce in the business of banking now, although by reports some of the old-time bankers were of this kind.

The writer is one of the many who would like to attend the conventions, but who instead must stay within the enclosure and attend to duty while the sessions are being held. But he has had the privilege of attending, in a semi-official capacity, two conventions of one of the national associations of attorneys-at-law, and there he has had experiences similar to those he would have had if he had been at a bankers' convention. One result of attendance at these conventions is that acquaintances are made with representative men from nearly all States and Territories; and another result is that he has been helped and broadened mentally and socially, if not physically, by the trip, by his acquaintance and conversations with these men. The same would have been true if he had had the privilege of attending the bankers' convention, and the benefit might have been greater.

Shall we say because the clerk cannot attend the conventions that they are of no use to him? If we do we make a great mistake. A short time ago the papers gave an account of a baker (not banker) who committed suicide because his business required him to work when other men were having pleasure, and he could have no pleasure when others were working. He was to be pitied because he had not learned how to enjoy himself during his unemployed hours. The bank clerk is usually more studious and learns how to get profit from the pleasures, experiences and studie

of others. It is because of this acquired ability that he can get benefit from the conventions even though he is unable to attend.

Banking seems an easy proposition to some of the uninitiated; probably it so appears because a man does not need to serve a recognized apprenticeship before becoming a bank clerk. But it is not so simple as it seems. There are many things one should know who desires to be an intelligent clerk and to prepare himself for promotion to the official staff. Mr. Robert B. Armstrong, Assistant Secretary of the Treasury, in his address at the convention of the American Institute of Bank Clerks in St. Louis, gave expression to this fact in these words: "You who are here to-day are to be the bankers of to-morrow. If you are to be heard from in the future, you are to learn something far more important than the routine of a bank. You are to be trained to read correctly the pulse of industry and the temperature of commerce. To practical banking and natural intuition you are adding the delicate knowledge which will enable you to detect, at long range, the approach of financial fever, industrial depression, or commercial spasm."

Much of the knowledge that must be obtained, in addition to knowing the how, when and where of the routine work, to make the full-rounded and advancing bank man, can be obtained from the leading addresses given at the various national and State conventions. The work and studies of the Institute of Bank Clerks must not be neglected, for they are exceedingly helpful to the aspiring clerk; but I am now considering what help he can get from the bankers' conventions, so will not consider the institute's helpfulness at this time.

The men who deliver the addresses are usually men who are not simply students of banking and have mastered the theory, but they are men who have had and are now having the experience, and have applied the theories they have studied and found them to be practical or impractical; or they are men who have evolved ways and means for doing certain important things in the business of banking and have been called upon to give others the benefit of their study and experience. Their addresses are therefore worthy of careful reading and study by the ambitious clerk.

At one of the State conventions held this year a speaker in a jolly mood introduced his address with these words: "Every now and then some old fogy editor of a banking journal comes out with an article, urging the bankers to get down to business in their conventions; to deliberate seriously upon issues relative to their profession; and it is not difficult to secure services of distinguished economists who speak upon subjects which are both educational and helpful. I have attended enough bankers' conventions, however, to learn that these gatherings are attended in some measure for recreation, social intercourse and even personal enjoyment, and my invitation to address this convention is proof that bankers are occasionally willing to hear from some one who is determined to be neither educational nor helpful in his argument, and who will not demand any deep concentration of thought in order that you may follow his rambling remarks."

He continued his "rambling remarks," in a jocose strain, on the subject of "The Bankers' Function," but it was nevertheless an exceedingly instructive address and well worth being reprinted for the benefit of the banker and the clerk.

It is true much more can usually be gained by hearing and seeing the speaker give the address, than by reading the report of it. But it is also true that when we have the report we can file it away and refer to it time after time as its subject comes up; and that we could not do if we only heard the address and did not have a copy of it.

During the past few years the writer has been reading and keeping the published reports of addresses delivered at many conventions. Not all that were published have been kept; for that would be gathering more matter than could be used to advantage. But those that seemed to be of special interest and on subjects of importance were kept, and much profit has been derived from them. Some of them deal with the subjects from a local point of view, some from a national and others from an international standpoint. No doubt many clerks have used this means of acquiring knowledge, but many more have not. All have the same privilege.

As the present generation of bank officers is, as a class, better and wiser than the generations of bank men that preceded them, so the next generation will be better and wiser than the present one; because they will profit by the successes and failures of their predecessors, and will have imbibed much of their wisdom and experience, adding to both their own wisdom and experience. The Institute of Bank Clerks, with its studies, addresses and conventions, will be of very material assistance in bringing about the better condition.

C. W. REIHL.

BANKING PROSPERITY IN NEW ORLEANS AND LOUISIANA.

It is a matter of common knowledge that the South has been experiencing a remarkable development in the past few years, and is perhaps the most prosperous section of the country at the present time. Coincident with the growth of agriculture, industry and commerce the banks have been making new records. Especially noteworthy is the growth of banking throughout the State of Louisiana. R. M. Walmsley, President of the New Orleans Clearing-House Association, presents the following facts in regard to the progress of the clearing house banks of that city from September 1, 1903, to August 31, 1904—an interval between the two cotton seasons:

Increase in deposits	$8,203,000
Increase in legal tenders	640,000
Increase in New York balance	4,200,000
Decrease in the New York borrowings	900,000

For the five years ending August 31, 1904, the New Orleans bank clearings have practically doubled, as may be seen from the following:

1900	$500,671,000
1901	608,759,000
1902	650,578,000
1903	749,473,000
1904	949,000,000

Concerning the future, Mr. Walmsley is optimistic. His own bank, the Louisiana National, shared in the general prosperity.

Statements of other bankers of the city, John J. Gannon, of the Hibernia, J. T. Hayden, of the Whitney National, Wm. Palfrey, of the New Orleans National, Charles Janvier, the newly-elected President of the Canal Bank and Trust Co., A. Breton, General Manager of the Germania National, S. A. Trufant, of the Citizens' Bank, Cashier Mitchell, of the Commercial National, W. B. Rogers, of the Interstate Trust and Banking Co., Mr. Bouden of the Morgan State Bank, Mr. Hellwege, of the Orleans, Mr. Meidinger, of the French Comptoir National d'Escompte, are all in accord with Mr. Walmsley's views.

Mr. Trufant, explaining the situation, said recently: "The deposits in the New Orleans banks (including Savings banks) to-day aggregate $55,000,000, or taking all into account, $8,000,000 over this time a year ago. Of this total about $10,000,000 is due to banks outside the city, in the States tributary to our city, principally Louisiana, Mississippi and Texas. This district is essentially an agricultural region, and when it comes to moving the crops all our resources are employed. This year we have, in Louisiana and adjacent in Texas, a large rice crop already being marketed, though at lower prices than usual. The acreage in cotton promises a large crop, but there are so many conditions that may be unfavorable that no 'crop guess' is a certainty. However, it will take a larger crop than usual to satisfy the world's trade, which is practically bare of supplies at the beginning of this season's deliveries, and the Southern banks will, no doubt, add largely to their deposits as the result of this crop, since the Southern farmer is practically out of debt. A good sugar crop in Louisiana has always been synonymous with prosperity in New Orleans, and

that is what Louisiana has this year, a fine sugar crop, and every indication points to 'more than four cents for sugar.' Good results are anticipated on that basis."

During the year above referred to one new bank, the Orleans, Peter Hellwege, President, has been opened for business; and another, to be called the Merchants' National, is promised. During the year three of the city banks have put up new buildings—the Commercial National jointly with the Commercial Savings, the Germania Savings and Trust, and the Hibernia; the last-named one that promises long to remain a landmark and a credit to the city.

The system of local branches has been adopted by several of the New Orleans banks to advantage.

During the year also the banks have passed through two great cotton crises unaffected. The State Legislature passed the Negotiable Instruments Law abolishing the antiquated custom of days of grace and aligning Louisiana with the greater States with respect to commercial paper. A ten million dollar bond issue of a foreign corporation was handled here, and there are of pending issues the following:

Authorized bonds of the port commission	$2,000,000
State educational bonds (proposed)	1,000,000
Court house bonds (authorized)	750,000

The State Examiner of Banks, L. B. Thomas, submitted the following report of the condition of the 142 State and National banks of Louisiana in December, 1903:

Capital	$12,305,990
Surplus and profits	10,939,970
Deposits	84,928,339
Bills payable and rediscounts	9,085,795
Total	$117,260,094

His remarks contained in a recent interview concerning banking conditions in the State are interesting. He says: "Banking conditions in Louisiana continue at high tide. There have been organized in Louisiana during the past year (since September, 1903), seventeen new State banks now in operation, and affording us nearly $3,000,000 increased financial resources. There are now 119 State banks, Savings banks and trust companies doing business in the State. Their combined capital, surplus and undivided profits amount to $14,284,233, their deposits to $45,023,485. In addition seven new banks have lately been organized. The increase has been such that there are now few towns in the State but have good banking facilities.

Our banks, as a rule, are conservative and enjoy public confidence. This is the third consecutive year that has passed into history without a single bank failure in the State, great or small. The very noticeable increase in the tax valuations or assessments is largely to be attributed to increased bank facilities. Our bankers are not afraid to finance promising and substantial enterprises and are steadily increasing their capital as demanded by the exigencies of our growing communities.

We have more money invested in our State banks and larger deposits than any State in the South. The resources of our State and National banks exceed $120,000,000. We have more than $15,000,000 deposited in our Savings banks and trust companies. The combined assets of our forty-three homestead and loan associations, which are classed with banks under our law, are $7,000,000.

So it will be seen that not only are the banks of New Orleans exceptionally prosperous, but that a like condition prevails generally throughout the State, showing that all the varied resources of Louisiana are being steadily developed.

COMMERCIAL NATIONAL BANK, NEW ORLEANS.

On another page is presented an illustration of the new building erected by the Commercial National Bank, of New Orleans. As will be seen, the building is simple and dignified in style and well adapted to the requirements of a modern bank. Its fittings and furnishings are tasteful and elegant, and afford every facility for the safe and convenient handling of the bank's large business.

Although the Commercial National was organized only so recently as 1901, it has already taken a prominent place among the New Orleans banks, and has earned a just reputation for strength and progressiveness. The capital is $300,000, the surplus and profits $155,000, and deposits about $2,500,000.

Especial care has been taken to provide collection facilities, and the Commercial National is well represented by numerous correspondents all over the South, as well as in the more important financial centers of other sections. Those in charge of this branch of the bank's business are men of large experience, and they are doing effective service for the bank's correspondents.

The growth of the Commercial National, while to some extent due to the prosperity of New Orleans and the South, has been greatly stimulated by judicious yet energetic management. J. H. Fulton, Vice-President and Manager, is a thoroughly trained banker. He was formerly with the Canadian Bank of Commerce, in New York, and went to New Orleans to organize the Commercial National Bank. He has shown himself to be a resourceful bank manager, and has already made the Commercial National a success.

Wm. M. Smith, of the well-known firm of Mason Smith & Co., cotton merchants, is President; I. M. Lichtenstein, of H. Lichtenstein & Son, also cotton merchants, is Vice-President; W. J. Mitchell is Cashier, and W. W. Messermith, Assistant Cashier.

It is gratifying to Mr. Fulton and his associates that their efforts to place the Commercial National in a high position among New Orleans financial institutions are meeting with such splendid results.

Located in the same building with the Commercial National Bank is the Commercial Trust and Savings Bank, an institution having $500,000 capital, $86,863 surplus and profits and $1,486,850 deposits.

Among the numerous provisions made by this latter institution for the transaction of the business incident to its various departments, the ladies' reception room, and the safety-deposit department equipped with 5,000 boxes, may be mentioned as notable features.

The officers of the Commercial Trust and Savings Bank are: President, Wm. Mason Smith; Vice-President, I. M. Lichtenstein; General Manager, J. H. Fulton; Cashier, C. E. A. Dowler; Inspector, E. B. La Pice; Trust Officer, G. Owen Vincent.

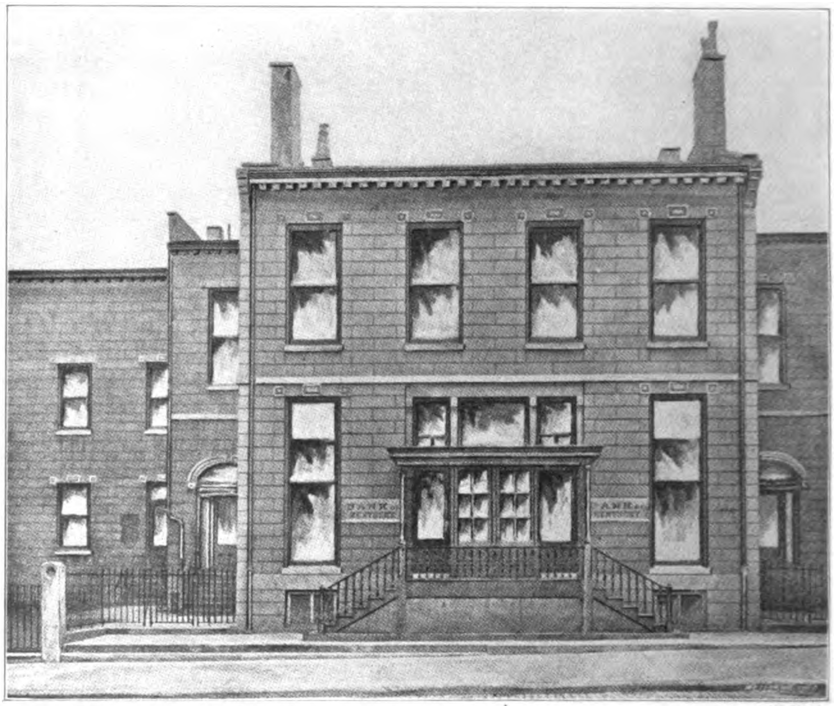
St. Paul, Minn.—The Second National Bank has increased its capital from $200,000 to $400,000. This new stock will be issued to present shareholders, who will pay for it by utilizing a 100 per cent. dividend declared by the bank.

Milwaukee, Wis.—The Germania National Bank at the close of its first year's business shows $300,000 capital, $39,000 surplus and profits and $1,098,604 deposits.

COMMERCIAL NATIONAL BANK, NEW ORLEANS.

NATIONAL BANK OF KENTUCKY.

Though it has about reached the scriptural age limit of three score years and ten, the National Bank of Kentucky, of Louisville, is still vigorous, and has renewed its youth by entering the National banking system, thus assuring its perpetual existence. The Bank of Kentucky, as it is best known, is one of the old and honored banks of the United States. It is older than the great majority of the banks, for comparatively few of those now doing business date their organization



THE BANK OF KENTUCKY, LOUISVILLE.

back of 1850. The Bank of Kentucky was chartered by the Kentucky Legislature in 1834, and was organized in the following January, commencing business in the building of the Louisville branch of the Bank of the United States, and has continued to do business in the same house ever since.

For many years the bank issued notes very largely, the circulation in 1837 reaching \$2,430,000 for the main bank and \$1,505,000 for the branches. The bank had at one time a considerable number of branches, but in 1866 they were all discontinued except the one at Frankfort.

The notes of the Bank of Kentucky continued to stand high at a time when the State bank issues were generally in discredit. In 1857 the Bank of Kentucky con-

tinued to pay specie even after the New York banks suspended, and in the great panic of 1873 refused to suspend payment of anything or in any respect.

In all the severe crises that have visited the country since 1835 the Bank of Kentucky has never closed its doors, nor has it found it necessary to impose any extraordinary rules upon its customers.

The bank has been a paying investment to its shareholders, having returned to them since organization $14,200,000 in the form of dividends. At present the capital is $1,645,000, and the surplus $1,065,000. About four years ago the Bank of Kentucky entered the National banking system as the National Bank of Kentucky.

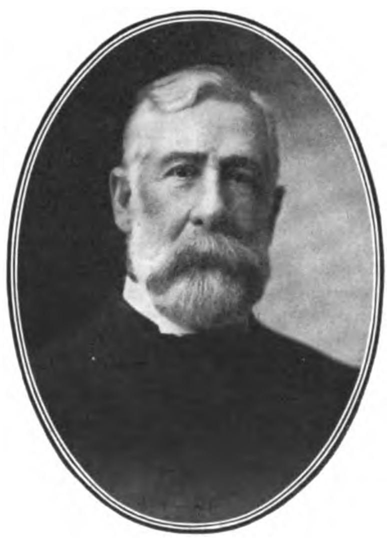
This institution has a long and honorable history, and the progressive yet careful policy under which it is conducted assures its continued prosperity. The bank has been a staunch friend of sound commercial enterprise, and its success in the past as well as its present high standing among the banks of the country, witness the wisdom with which its affairs have been directed.

The present officers are: President, Oscar Fenley; Vice-President, J. M. Atherton; Cashier, E. W. Hays; Assistant Cashiers, D. W. Gray and T. J. Wood.

EDWARD TOBY.

Edward Toby, President of the Canal Bank and Trust Company, New Orleans, died September 5.

He was a native of New Orleans, and after receiving his education entered the employ of his father, who was in the ship brokerage business. After a time he went into business on his own account as an adjuster of averages, and in 1850, at the age of about twenty-one, he went to California. After an absence of seven years he returned to New Orleans, where by ability and integrity he rose to eminence in the financial world.



EDWARD TOBY, *Former President Canal Bank and Trust Co., New Orleans.*

In 1895 he was elected First Vice President of the Canal Bank, and in 1903, on the resignation of J. C. Morris, Mr. Toby became President, having previously been in charge of the bank for a year or so owing to the ill-health of Mr. Morris. His management of the bank was entirely successful, and throughout his business career he maintained a high record both for honesty and capacity.

As a citizen he approached an ideal standard, and in the varied relations of home and social life he constantly exhibited the noblest qualities. He was a man of strong and firm convictions, but so courteous and dignified as to win respect and esteem. His attainments and character deserved and received wide recognition throughout a business career extending over nearly half a century.

THE BANK OF RICHMOND.

The Bank of Richmond represents a consolidation of the Richmond Trust and Safe Deposit Company and the Metropolitan Bank of Virginia. The paid-in capital of the Richmond Trust and Safe Deposit Company was $1,000,000 and of the Metropolitan Bank of Virginia $125,000. In carrying out the consolidation about $400,000 of capital and surplus was returned to stockholders, the capital stock of the Bank of Richmond (the name of the consolidated institution) being established at $800,000, the surplus and undivided profits amounting to about $400,000.

FREDERICK E. NOLTING, *Vice-President.*

T. K. SANDS, *Vice-President and Cashier.*

The surplus and undivided profits of this bank were all earned, and were not created by the sale of stock at a premium in the establishment of the bank.

The Bank of Richmond enjoys the unique distinction of having the largest capital of any bank, or trust company, in the South Atlantic States.

The Richmond Trust and Safe Deposit Company was organized in 1898 with a capital of $300,000, which was increased in 1899 to $700,000, and subsequently to $1,000,000.

The Metropolitan Bank was successor to the Merchants and Planters' Savings Bank, which latter bank when deciding to go into general banking business, changed its name to the Metropolitan Bank.

Prior to the organization of the Bank of Richmond, its predecessor, the Richmond Trust and Safe Deposit Company, confined its business rather strictly along trust company lines, did not solicit mercantile accounts and commercial discounts, its loans being all made on collateral securities. The Bank of Richmond now, while doing the business of an ordinary bank in discounts and deposits, however, still retains certain of the trust company features, and gives special attention to the busi-

ness of acting as fiscal agent for corporations, railroads, States and municipalities; and is also authorized to act as trustee under mortgages, as executor and guardian, and receiver.

In its bond department it purchases and sells only the highest classes of investment bonds—United States bonds, city securities, railroad first mortgages, etc.

John Skelton Williams, the President of the bank, was the organizer and President for many years of the Seaboard Air Line Railway; he was also the organizer in 1898 of the Richmond Trust and Safe Deposit Company and was its President from its inception up to its consolidation as the Bank of Richmond, and was unanimously elected President of the consolidated bank.

Frederick E. Nolting, First Vice-President, has for several years past been an active director in the National Bank of Virginia of which his father, the late E. O. Nolting, was for many years President. Mr. Nolting is one of the leading business men of Richmond, closely identified with various business and benevolent institutions.

T. K. Sands, Vice-President and Cashier of the Bank of Richmond, was formerly Cashier of the National Bank of Virginia, having been elected to that position when the National Bank of Virginia was consolidated with the Citizens' Exchange Bank of Richmond, four years ago. The deposits of the National Bank of Virginia were at that time about $1,100,000 and, during Mr. Sands' term of office as Cashier, have risen to $3,300,000 at the present time.

H. A. Williams, Assistant Cashier of the Bank of Richmond, was formerly Cashier of the Metropolitan Bank of Virginia, which bank owed its success largely to Mr. Williams' able, energetic and careful management. He is also secretary of the Virginia State Bankers' Association.

Lewis D. Crenshaw, Jr., Trust Officer of the Bank of Richmond, was formerly Treasurer of the Richmond Trust and Safe Deposit Company.

The principal correspondents of the Bank of Richmond are: In New York, the Mercantile National Bank, in which bank Mr. John Skelton Williams is director; the Seaboard National Bank, Bowling Green Trust Company, and the North American Trust Company. In Baltimore, the Third National Bank, the International Trust Company of Maryland, the Continental Trust Company, and the Baltimore Trust and Guarantee Company. In Philadelphia, Corn Exchange National Bank, Merchants' National Bank, Farmers and Mechanics' National Bank, and the Fourth Street National Bank.

The board of directors of the Bank of Richmond represent some of the best and strongest men in the country, as will be seen from the following list: E. B. Addison, Vice-President Virginia-Carolina Chemical Co.; Beverly T. Crump, President Virginia State Corporation Commission; L. D. Crenshaw, Jr., Trust Officer; S. D. Crenshaw, Secretary Virginia-Carolina Chemical Co.; L. L. Dirickson, Jr., Berlin, Md., Banker; T. Francis Green, Real Estate; John J. Hickok, Banker; Eppa Hunton, Jr., Attorney-at-Law, Munford, Hunton, Williams & Anderson; Egbert G. Leigh, Jr., President Southern Manufacturing Co.; Isaac T. Mann, Bramwell, W. Va., President McDowell County Bank, President Radford Trust Co., Vice-President Bank of Bramwell; J. Wm. Middendorf, Baltimore, Md., J. Wm. Middendorf & Co., bankers; B. B. Munford, President South Atlantic Life Insurance Co.; James A. Moncure, Secretary and Treasurer Richmond Guano Co.; Wm. Northrop, Secretary and Treasurer of the Richmond Street Railways and Electric Co.'s; Fred'k E. Nolting, Vice-President; William H. Parrish, Treasurer Richmond Cedar Works; F. R. Pemberton, New York city, F. R. Pemberton & Co., bankers; A. von N. Rosenegk, President Rosenegk Brewing Co.; T. K. Sands, Vice-President and Cashier; Lucien B. Tatum, retired merchant; Ernst Thalmann, New York city, Ladenburg, Thalmann & Co.; S. W. Travers, Treasurer Virginia-Carolina Chemical Co.; John Skelton Williams, Chairman of Board Seaboard Air Line Railway; R. Lancaster Williams, President Norfolk Railway and Light Co.

AUGUSTIN B. WHEELER.

The growth of our great cities, which has been so notable a feature of the last two decades, has been due not alone to the accidents of location. However favorably situated a town or city may be, its progress will be slow unless the right kind of men are at hand to push forward its development. There has been a marked increase in the population and wealth of many of the Southern cities in the last ten

A. B. WHEELER.

or twenty years, and few have grown more rapidly or more substantially than the metropolis of the South—New Orleans.

In the work of upbuilding the city's commerce and industries the subject of this sketch, Mr. Augustin B. Wheeler, has done his full share and has reached a position of eminence in the business world. He was born at New Orleans, April 14, 1854. His father was Elias Wheeler, a descendant of American ancestors, and his mother was of Scotch origin. Elias Wheeler was a successful iron manufacturer at New Orleans up to the breaking out of the Civil War, and had accumulated a comfortable fortune, but it was swept away by the great catastrophe which was the ruin of so many. Mr. Wheeler died in 1866. His son, Augustin, was then only twelve years of age. He was educated at the public schools and at the age of fourteen be-

came an office boy with Messrs. Moore, Janney & Hyams, stock and bond brokers. By close attention to his duties, and by showing aptitude for his work, he was gradually advanced through the various grades of clerk, bookkeeper and confidential manager, until in 1878 he became a partner in the firm of Moore, Hyams & Co., who had succeeded the original firm. In June, 1894, the firm of Hyams, Moore & Wheeler was organized, composed of C. H. Hyams, Robert Moore, A. B. Wheeler and C. H. Hyams, Jr. The firm achieved large success as dealers in high-class securities.

The capacity shown by Mr. Wheeler led to his identification with large and important banking and other business enterprises. He is President of the United States Safe Deposit and Savings Bank, one of the leading Savings banks of New Orleans; President of the St. Charles Hotel Company, which owns the magnificent new St. Charles Hotel; President of the Crescent City Stock Yards and Slaughter House Company; director of the New Orleans City Railroad Company, and the New Orleans Gas Company.

In 1897 Mr. Wheeler was King of the Carnival, at the Mardi Gras festival of that year, a position of much distinction. He is prominent socially as well as in a business way, being a member of the Boston Club, Varieties Club, Southern Yacht Club and the Country Club.

Mr. Wheeler was married in 1882 to Miss Eliza Britton, of Natchez, Miss. They have a family of four children.

CURRENCY REFORM IN CHINA.—Professor J. W. Jenks left Shanghai yesterday for the United States in the Mongolia, and we are glad to know that he leaves these shores with the satisfactory conviction that his mission has not been altogether in vain. He has planted, it is for others to water, and the increase will come. Thoroughly conversant as he is with his subject on every side, a clear and cogent writer, a very able speaker and a man of winning personality, he was the best choice that the United States Government could possibly have made when the Chinese asked for a commissioner to advise them how they might best obviate the loss which the continuing depreciation of silver was causing them. His plan, as is generally known, is the adoption of the gold standard without a gold currency, to put it as concisely as possible, and he has found the statesmen of Pekin, as well as the high provincial officials with whom he has discussed the question in all its bearings, eager to listen to him, to understand and to adopt in due time his suggestions. Many foreigners, too, who were at first indisposed to believe that the adoption of the gold standard by China was anything but an impossible dream, have been convinced by his arguments; and there is good reason, if nothing untoward happens, to believe that something like the reform which has been so unexpectedly and promptly successful in the Philippines will be adopted by China before very long. Thus China will come into line with India, the Straits, the Philippines and Japan, to the permanent advantage of all who do business with gold standard countries. And mainly to the suave, unassuming, but thoroughly earnest, professor of Cornell University, with his unexcelled mastery of facts and figures, this great and beneficial reform will be due. And there will be a general hope that circumstances will enable him to return to China to give his advice and assistance to those who will be charged with putting his recommendations in action.—*North China Daily News, Sept. 8, 1904.*

HIGHEST AWARD FOR POSTAL SCALES.—The Pelouze Scale and Manufacturing Co., of Chicago, has received the highest award for Postal Scales at the World's Fair, St. Louis.

Character in Handwriting

"The handwriting bears an analogy to the character of the writer, as all voluntary actions are characteristic."—*Disraeli.*

Human nature is one of the most interesting and yet one of the most perplexing problems, and may be studied in a variety of ways.

A collection of facsimile writings or autographs of authors may form the basis of graphological study, comparing the reflection obtained with biographical sketches.

In an article on "Illustrious Handwriting," in "Chambers' Journal," October 21, 1893, interesting comparisons are made, some of which are reproduced below:

"Byron's penmanship was rude and unfinished in youth, and in later life it became wretched.

"Dean Stanley's copy was so illegible that the printers charged half a crown a sheet extra for setting it up. Henry VIII wrote a firm bold hand, as might be expected from his temper. Charles II wrote quickly and carelessly; he was too fond of pleasure to take pains. Addison wrote a large clear hand, the letters well formed, but each too proud or too coy to touch its neighbor."

Analysis.—An angular sloping hand. Letters clearly, simply and legibly formed, separated and compressed; small capitals, absence of flourish or unnecessary movement of the pen.

Deduction.—The angular form of the letters and the final stroke denote energy and keen penetration. Angularity in writing—as in features—denotes keenness, severity and activity. The clearly and legibly formed letters are expressive of a

frank and open nature, in keeping with his lines on hypocrisy: "'Tis not my talent to conceal my thoughts." Frankness is denoted by a clear open hand, as also by an open countenance. Separation of letters denotes the intuitive faculty, and the compressed form of the letters a reserved and conventional nature.

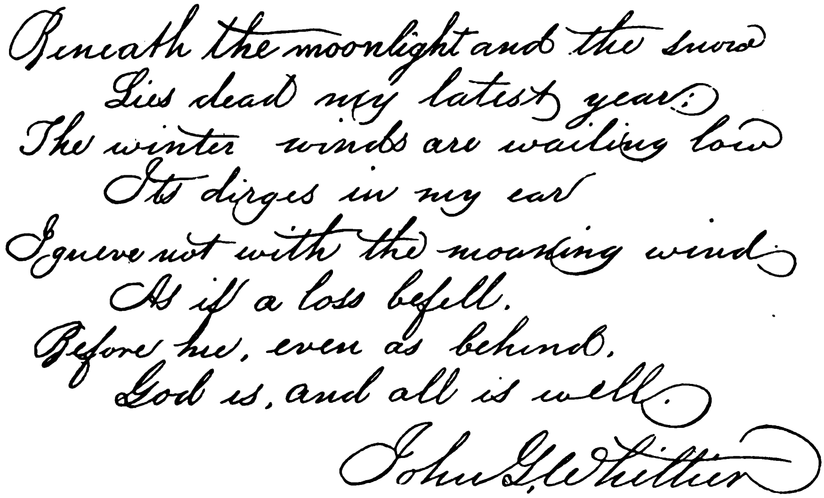
Addison's plain unaffected signature may be contrasted with the facsimile of Bacon's autograph.

Analysis.—Pronounced angularity; letters clearly formed but upright, compressed, separated and connected; superficial flourish.

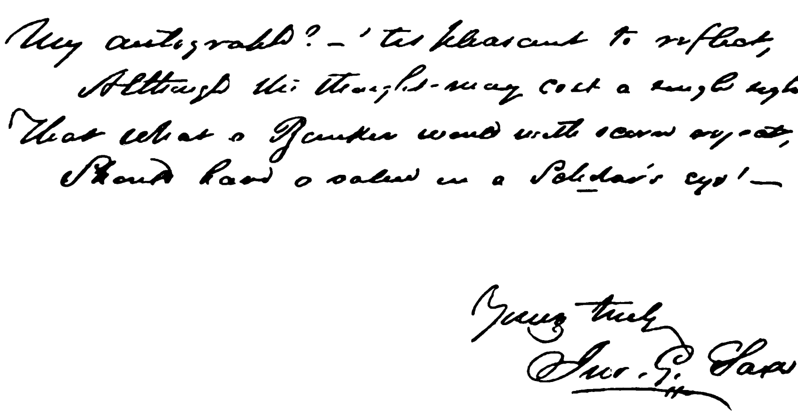
Deduction.—The pronounced angularity, combined with the upright formation of letters, indicates a selfish, hard and unsympathetic nature.

The angularity of the former signature (Addison) is relieved by the gentle slope, and the harshness of the latter (Bacon's) is intensified by the upright inflexible hand, and the superficial and ostentatious flourish is significant of that quality which "goeth before a fall"—pride.

Compare the facsimile handwriting of Whittier with his character and temperament:


Beneath the moonlight and the snow
Lies dead my latest year;
The winter winds are wailing low
Its dirges in my ear.
I grieve not with the moaning wind
As if a loss befell.
Before me, even as behind,
God is, and all is well.
John G. Whittier

It abounds in gracefully-rounded curves—so expressive of his genial and kindly nature—but the letters are not firmly traced, indicating a lack of vigor and energy.


My autograph?—'tis pleasant to reflect,
Although the thought may cost a single sigh,
That what a Yankee wrote with scarce respect,
Should have a value in a Scholar's eye!—
Yours truly
Jno. G. Saxe

Another characteristic feature of his writing is the alternate ascending and descending letters. The joyous or optimistic write in ascending fashion. Melancholy or depression in any form is indicated by descending letters or lines. Whittier's writing is a combination of both. His lonely life and his weak physical condition were the depressing influences, but these were counteracted by a warm, sunny, hopeful and even jovial nature.

The gentle slope, the clearly traced letters, and an entire absence of angles, denote the frank, warm-hearted and kindly nature, the small capitals his humility and unpretentious tastes. The graceful flourishes of the final letters are more expressive of the spontaneity of his nature than any indication of vanity or pretension.

The opportunities for the comparison of handwriting with character or temperament are many and varied, and a collection of favorite quotations may form the nucleus for this very interesting and profitable study.

BOOK NOTICES.

BANKING LAWS OF NEW YORK. Prepared by ANDREW HAMILTON. Albany, N. Y.: Banks & Co.

This embodies the latest statutory revision of the laws of New York affecting banks, banking and trust companies, and also includes the general corporation law and stock corporation law complete as amended, the statutory construction law, and the tax law. It is carefully indexed, and contains numerous citations of cases. As a compilation of the laws relating directly and indirectly to banking and other financial institutions it will be found of great value.

ELEMENTARY PRINCIPLES OF ECONOMICS. By RICHARD T. ELY, Ph.D., LLD., and GEORGE RAY WICKER, Ph. D.

The fundamental principles of economic science have been laid down in this work with a fullness and clearness that must recommend the treatise to the student who is beginning the study of economics, and the banker who desires a basic knowledge of these subjects may read the volume with profit.

SAVINGS AMONG THE GERMANS.—According to the *Deutsche Industrie Zeitung* (German Industrial Times) of July 29, 1904, the Savings banks of Prussia show a remarkable increase of deposits during the years 1887 to 1902, inclusive. In round numbers they were as follows:

Deposits in German Savings Banks, 1887-1902.

1887	$636,000,000	1895	$1,035,000,000
1888	687,000,000	1900	1,367,000,000
1889	739,000,000	1902	1,601,000,000
1890	781,000,000		

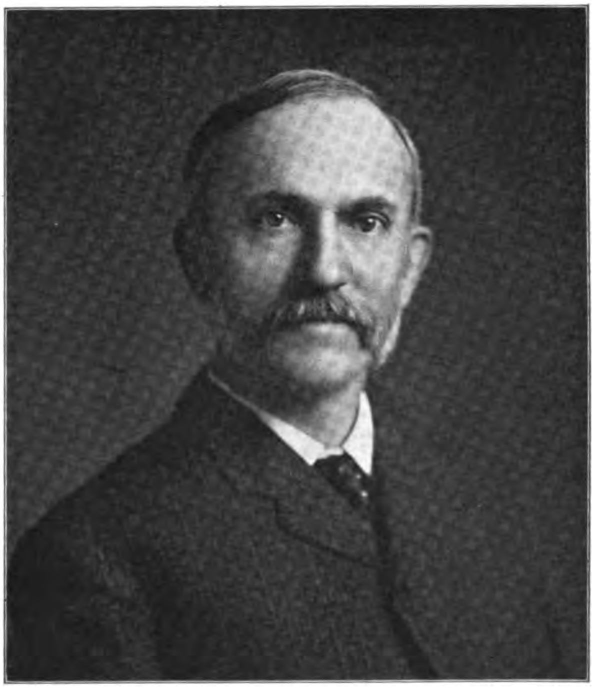
What is true of Prussia is largely true of all parts of the Empire. During periods of prosperity the savings of the whole country approach the Prussian average. In some parts, such as Saxony, they may pass beyond those of Prussia, but never to any very great extent.

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

PENNSYLVANIA BANKERS' ASSOCIATION.

The tenth annual convention of the Pennsylvania Bankers' Association was held at Atlantic City, N. J., October 6 and 7. Rev. Newton W. Cadwell, pastor of Olivet Presbyterian Church, Atlantic City, opened the first session with prayer, after



WM. H. PECK, *President Pennsylvania Bankers' Association.*
(Cashier Third National Bank, Scranton.)

which Franklin P. Stoy, mayor of Atlantic City, made the address of welcome, and F. G. Hobson, Treasurer of the Norristown (Pa.) Trust Co., responded on behalf of the bankers. President D. McK. Lloyd, President of the People's Savings Bank, Pittsburg, in his annual address reviewed the progress of the country in commerce, manufactures, etc. He gave the following facts and figures relating to Pennsylvania

"And now just a little about our own dear, old Keystone State. She stands:
First in iron and steel production.
First in petroleum production.

that has caused banking institutions as many bad half hours as any year in the last quarter of a century. In times like these the cumulative force of advertising ought to make itself felt if it ever does, and hence a comparative record of the past year is even more of a test than the record of five years. The record of the single year is also very much more accurate as it is possible to include a much larger percentage of the banks without running against combinations that swell the figures abnormally.

And here is the story the year has told:

In assets the advertising banks have gained twenty-one per cent.; the non-advertisers have lost five per cent.

In capital the advertisers have gained fifteen per cent.; the non-advertisers have lost eleven per cent.

In surplus the advertisers have gained sixteen per cent.; the non-advertisers have gained ten per cent.

In deposits the advertisers have gained twenty-two per cent.; the non-advertisers have lost seven per cent.

In other words, the banks that have been persistent advertisers have shown substantial gains in every essential feature. The banks that have not advertised have lost in everything but surplus, and the gain there is not nearly so great as in the other class.

It is interesting to note in looking over the records that only one bank in the advertising class shows any loss, and that was caused by the withdrawal of a constituent institution, while among the banks that have not advertised there are only three or four that do not show a loss in both deposits and assets.

Now there is a very important feature that lies back of success in all advertising campaigns, and that is the personal equation. In other words, the bank itself has got to make good.

You can talk about your strength and your courteous treatment of customers until you are black in the face, but if you haven't got the strength, and if you are not actually courteous and obliging in your business dealings, you will not get any permanent good out of your advertising."

Prof. Frederick A. Cleveland, of New York, spoke on "The Banks and the United States Treasury—the Two Great Pillars Supporting Our Financial System." He expressed the opinion that the independent Treasury could be made an efficient support to the money market if the banks were required to pay interest on the Government deposits, thus causing the return of the public funds to the Treasury when they could not be loaned advantageously by the banks. He thought also that bank notes issued on unencumbered assets, and subject to a tax, would promote elasticity in the supply of currency.

Officers of the association for the ensuing year were chosen as follows:

President, Wm. H. Peck, Cashier Third National Bank, Scranton; vice-president, John G. Reading, President Susquehanna Trust and Safe Deposit Co., Williamsport; treasurer, E. E. Lindemuth, Treasurer Clearfield Trust Co.

After extending thanks for the many courtesies received at Atlantic City, the convention adjourned.

A meeting of the Trust Company Section was held October 6, taxation being the principal topic of discussion. Robert E. James was elected chairman, L. K. Stubbs, secretary and John G. Reading, treasurer—all re-elections.

INDIANA BANKERS' ASSOCIATION.

The eighth annual convention of the Indiana Bankers' Association was held at Indianapolis October 5 and 6. Governor Durbin made the address of welcome, and in the course of his remarks referred to the subject of bank supervision. He favored a law requiring a fixed paid-in capital of not less than $25,000 for private banks.

He suggested that examination of banks be made to include an investigation of

D. S. Kloss, Cashier of the First National Bank, Tyrone, presented his report as secretary of the association, and E. E. Lindemuth, Treasurer of the Clearfield Trust Co., read his report as treasurer. Secretary Kloss thus summed up the progress of the association: "In conclusion, whether in membership, finances, protective work, group meetings, Trust Company Section, or in any of the work of the association, we can look with pride on the record of the past year for the Pennsylvania Bankers' Association."

Treasurer Lindemuth reported a balance on hand amounting to $5,436.65.

The matter of limiting the time in which a depositor has to examine pass book and returned vouchers, was fully discussed, but the only action taken was to refer the subject to the council of administration.

R. J. Stoney, Jr., delivered his report as a delegate to the convention of the American Bankers' Association held in New York. He said that the convention was the most enjoyable one in the history of the association, and that the arrangements for the business meetings and the social functions were absolutely perfect. New York had the highest number of delegates at the convention—330, and Pennsylvania was next with 220.

H. Schumacher, of Pittsburg, offered the following, which was adopted:

Resolved, That the Pennsylvania Bankers' Association approves the educational work that is being done by the American Institute of Bank Clerks, and especially notices with pride the progress made by the chapters in Pittsburg and Philadelphia, and urges that all its members extend their support, encouragement and influence towards the furtherance of this movement.

Reports were presented from various groups, giving a synopsis of the work done during the past year. Business conditions throughout the State were generally reported as being greatly improved over what they had been a year or so ago.

Albert H. O'Brien, of Philadelphia, delivered an interesting address on "Trust Companies."

At the second day's session, after prayer by Rev. J. Morgan Read, pastor of the St. Paul M. E. Church, Atlantic City, Wm. S. Power, of Pittsburg, read a valuable paper on "The Advertising of a Financial Institution." After considering the subject in its various aspects, he said:

Bank Advertising Pays.

"But does advertising pay? Can we prove it?

I have been asked that question so often by bankers and others that it has occurred to me that about the best thing I can do at this convention is to attempt to answer it. As a matter of fact it is one of the easiest of advertising problems to solve. Banks and trust companies are compelled by law to issue statements showing their actual standing from time to time. These statements tell the whole story and tell it truly. You can read it for yourself in your own city or town—if you care to take the trouble. If, over a given period of time the banks that are persistent advertisers grow two or three or four times faster than the banks that do not advertise, it is at least fair to conclude that advertising pays—is it not?

Take our own city of Pittsburg, for instance. More money is expended in legitimate bank and trust company advertising in Pittsburg than in any other city in the country, hence no better place could be selected for the making of comparative figures. There are a great many banks in Pittsburg. About half of them are known the country over because of their liberal advertising. The other half do not believe in advertising, on the general plea that they can use their money to better advantage. Possibly they can, but the figures are against them.

I have gone back over the statements of the last five years comparing the growth of the banks that have advertised continuously with that of the banks that have advertised only now and then—or not at all—and this is what I find:

During the five years the banks that have advertised continuously have increased thirty-eight per cent. in assets and eighty-five per cent. in deposits. The banks that have not advertised have increased twenty-seven per cent. in assets and eleven per cent. in deposits. This record is affected necessarily by the numerous combinations of recent years, but these have been eliminated so far as possible and the figures given err on the side of conservatism rather than otherwise. But come down to the last year, the year that has tried men's souls, and

Fort Madison (Iowa) Savings Bank, and brief remarks by Hon. W. H. Taft, Secretary of War. W. E. Schweppe made an address on "Credit Indemnity as a Safeguard."

A. G. Lupton, Cashier of the Blackford County Bank, Hartford City, was chosen president of the association for the coming year.

BANKERS' ASSOCIATION OF THE STATE OF ILLINOIS.

The eighteenth annual convention of the Bankers' Association of the State of Illinois was held at the Illinois Building in the World's Fair grounds, St. Louis, October 18 and 19, and was a great success, 740 delegates and guests registering their names and many more being present who did not register.

E. D. DURHAM, *President Bankers' Association of the State of Illinois.*

Wm. George, President of the Old Second National Bank, Aurora, presided over the sessions of the convention. J. C. Van Blarcom, Vice-President of the National Bank of Commerce, St. Louis, and President of the St. Louis Clearing-House Association, made the address of welcome, and Geo. M. Reynolds, Vice-President of the Continental National Bank, Chicago, responded for the bankers.

President George in his annual address outlined the work of the association for the past year, and then took up the various proposals for banking legislation, and made the following reference to loans on real estate :

"I would recommend that the congressional committee should ascertain the sentiment of the bankers of this State on the question of the modification of the laws as to permitting National banks to loan, under restrictions, on real estate. Personally, I favor such modification, for I have always found the quickest asset in hard times was a good farm mortgage, some able bankers in central reserve cities to the contrary notwithstanding. The law providing for the establishment and regulation of American mortgage banks is an interesting subject deserving the attention of this association and our congressional committee. It is known as House Bill No. 11878. It has been discussed but little; it should receive our careful consideration."

In concluding his address, he said:

"In reviewing the present financial conditions one may summarize by saying: prosperity is normal, economic conditions presage steady development along industrial lines; times are better and there is less agitation; increasing demands for merchandise unaffected by speculation; almost entire absence of doubt as to the outcome of the presidential election; general advance in business growth based on conservative methods; cotton and corn crop large and prices good for both; oat crop never better; wheat crops small, but high in price; these conditions and the certainty of no change in our national executive are responsible for the spirit of satisfaction and ease abroad in the land."

A notable feature of the convention was the address of Frank A. Vanderlip, Vice-President of the National City Bank, New York, and former Assistant Secretary of the Treasury. Mr. Vanderlip's address was as follows:

Address of Frank A. Vanderlip, Vice President National City Bank, New York.

The plan of holding the annual convention of the Illinois bankers within the limits of this great Exposition was certainly a happy one. Nothing that will be offered on this platform is likely long to claim your attention when there are such countless attractions of greater interest so close at hand. And I doubt if there will be anything offered which will compare in educational value with what you will find in the exhibits that have been collected about us. I am as impatient as any of you to begin sightseeing, and I promise you that my address shall have one point of excellence—it will be brief.

I have known something of former conventions of the Illinois Bankers' Association. The proceedings of these conventions have been uniformly of much interest. I venture the prediction, however, that this meeting will be the most valuable one by all odds the association has ever held, and that would be so if the programme were to consist of nothing more than a word of welcome and you were to start at once on a round of sightseeing, which should fill all of the remaining time of the meeting. I know of no lesson more important to men controlling financial interests than one which will give them a clearer understanding of the resources of our own and other countries. Where else would it be possible so quickly and so distinctly to obtain a view of the material growth and of the commercial and industrial position of the United States as here?

No men have greater need for an intelligent understanding of the progress and the outlook of the country's development than have the men representing such great financial interests as you represent. You whose time is given to the administration of the vast capital which the banking interests of Illinois have come to comprise, must have a broad and accurate understanding of the material resources, the commercial progress and the industrial development of America, and you have certainly acted wisely in deciding to hold your convention in the center of this unexampled exhibition of those resources and of that development.

It has seemed to me especially fitting—considering our surroundings here—to attempt to review, in the briefest manner, a few of the figures illustrative of our material progress and to try to draw some deductions from them.

CONDITIONS DURING THE LAST TEN YEARS.

In order to get a setting for our comparisons, let us for a moment glance back at conditions during the last ten years. We will remember that we were ten years ago just emerging from the depression of the panic year of 1893, and that we were facing a great political and economic conflict over the silver issues. The whole world was filled with distrust in regard to the future of our standard of value and the chilling shadow of that distrust was falling heavily on our commerce and finances.

Then came the definite verdict of the people, declaring for a sound currency, and following that began an unexampled era of prosperity such as no other country, in any age, has ever known. The expansion went beyond all the experiences of men of affairs. We had learned

lessons of economy, of careful management and of cheap production in the depression which followed the panic of 1893, and now we suddenly waked to the fact that we had obtained a grasp on the markets of the world. Our exports of manufactures ran up from $183,000,000 to $433,000,000 in half a dozen years, and this increase of $250,000,000 in the annual average of our exports of manufactured products made Europe stand aghast at what was denominated the American commercial invasion. Our general foreign trade balance assumed such totals as to cause economists seriously to consider what was to happen to the rest of the industrial world if this march of progress went on. In half a dozen years we piled up against other countries a trade balance in our favor of more than $2,600,000,000, a trade balance far larger than the net trade balance had been from the beginning of our Government down to the time this remarkable expansion started.

And then we made mistakes. We were in the midst of a prosperity so great that it went beyond the experience of the most experienced. With the flood-tide of this prosperity covering all of the old landmarks, it was small wonder that there were blunders made in steering the craft of business. We ran into excesses, extravagances and miscalculations. Capital made mistakes of over-capitalization, labor made mistakes of arbitrary and unwise demands; everybody made mistakes of extravagance. Producers made errors in estimating the demand and made miscalculations in the multiplication of their productive capacity. Those errors of estimate were almost unavoidable. There was a surplus demand above our productive capacity, and that demand went knocking at the door of first one factory, then another and another, producing the impression on the mind of each individual manufacturer that the demand legitimately pressing upon him warranted him in doubling his plant, and when every one started to double his productive capacity, capacity soon ran ahead of demand.

The railroads were caught in much the same situation. They made huge engagements for expenditures which they felt were necessary in order to handle the traffic that was pressing on them. For the time being, far too great a portion of liquid capital was absorbed into fixed forms of investment. Directly and indirectly, bank credits which were payable on demand were, in a dangerous proportion, converted into new manufacturing plants and into new railroad tracks, equipment and terminals. Bank reserve fell until they were a danger signal pointing with certainty to the need for more conservative administration. Banks applied the financial brakes of higher and higher interest rates. Stock market values, unduly inflated by the spirit of optimism, which all-pervading, began to melt.

Just two years ago this turn came. The decline which followed cut a billion dollars off the value of securities in a few months. The vast readjustment which such a change in values made necessary was accomplished, however, without panic, without great failures, and with few of those disasters which usually are the features of such a period. The way the country met the situation stands to-day as the most striking monument we have yet reared to our increasing wealth and financial strength.

We have grown used to cycles in business; to regular periods of expansion followed by years of depression. These cycles have been of varying length, but, generally speaking, a decade would measure the time from one upturn to the next. Men of experience, therefore, expected that the depression which started two years ago would have to run something like the usual course, and would last at least for three or four years before we had again learned lessons of economy and had settled down to a solid basis upon which to rear a new structure of prosperity. I have said that the experience of the most experienced had been set at naught by the rising tide that had marked the last great wave. Experience proved a poor guide in measuring the upturn: will it likewise be at fault in measuring the period of depression? Is the depression to be of shorter duration than in former business cycles? Have we already reached, after two years of down-grade, a level from which we can again start up to new heights of business expansion?

I cannot answer these questions, but I want to present a few statistics that I believe have some bearing upon them.

THE FINANCIAL AND COMMERCIAL OUTLOOK.

What I have now to say has absolutely no application to the immediate course of the stock market. Whether stocks will be higher or lower to-morrow, next week or next month, I do not know, nor am I particularly concerned. The fluctuations which mark the little surface waves are not matters of much moment. It has seemed to me, however, that it will be interesting, in view of the present condition of business affairs, and appropriate, considering the place which has been chosen for this meeting, to make some comparison of business statistics to-day with conditions of ten years ago, and to note what our position will be ten years hence, if the material development of the United States is to go on with approximately the same rate of progress which has marked the development of the last ten years. I believe it is fair to assume that, generally speaking, something like that rate of progress will be maintained. Certainly the outlook to-day, with currency uncertainty given away to a securely

fixed standard of value, with a sound and satisfactory banking position, and with no left-over panic consequences to be reckoned with as was the case ten years ago—certainly such a situation offers reason for the presumption that we are in as favorable a position for development in the next ten years' period as we were at the beginning of the last.

Ten years ago we had a population of sixty-eight millions; to-day it is eighty-two millions, and ten years hence, with this ratio of increase, the population of the United States will be ninety-eight millions. We will in the next ten years add to our number a population equal to one-half of France. Such growth in numbers matched to our wealth of resources makes the sort of material out of which to shape an entirely new level of statistics marking the country's material progress.

The total wealth of the United States, according to the best estimates which we have, has risen in ten years from $75,000,000,000 to $106,000,000,000. Ten years more of increase will make the wealth of this country $140,000,000,000. When we remember that such a total will compare with the total of $42,000,000,000 in 1880, the accumulation is seen to be at a rate almost incredible.

Our money stock has increased in ten years from $1,600,000,000 to more than $2,500,000,000, and every dollar of it is sound, and every dollar of it is on a parity with gold. The actual gold stock itself increased in that period $250,000,000. If the money stock increases in the next ten years in the same amounts, we will have $3,400,000,000 of circulation at the end of that period. Incidentally, it is interesting to note that National bank-note circulation in the last ten years has risen from $172,000,000 to $411,000,000, and one might stop to wonder, if this rate of increase is to go on, where the Government bonds are to come from in the next ten years to provide for a further increase of National bank circulation of $250,000,000 or $300,000,000. Such inquiry points inevitably to the necessity of some change in our National banking laws in the due course of time.

National bank deposits in ten years have doubled, going up from $1,600,000,000 to $3,300,000,000. State bank deposits in that time have trebled, marking an increase of from about $660,000,000 to $1,900,000,000.

A careful estimate of the total bank deposits in the United States to-day, National, State, Savings banks and trust companies, brings them up to a grand total of $10,000,000,000, and that compares with a total ten years ago of $4,600,000,000. The increase has been well over double. Will it double again, and will we have $20,000,000,000 deposits in 1914? If we only make the same actual gain, we will have over $15,000,000,000, and barring any unexpected interference with our expansion, I believe that that is a conservative figure and inside the probabilities.

Take the case of the institutions that each of you represent. Do you not anticipate as much growth in the next ten years as you have had in the last? If you do, and if those anticipations are fulfilled and the increase is general, the total of banking resources at the end of another decade must certainly be an astounding one. Your own banks in Illinois have far outstripped the average of the country. The total deposits of National and State banks in Illinois have increased in ten years from $213,000,000 to $572,000,000. Why should they not make similar gain in the next ten years, and Illinois deposits stand at $800,000,000?

In ten years we have seen railroad gross earnings increase from $1,200,000,000 to $1,900,000,000. With only an equal actual increase, we will have railroad earnings of $2,600,000,000 ten years from now; while, if the percentage of increase of the last decade were to be maintained, the figures would reach $3,000,000,000. The lower total is the fairer presumption. With gross earnings reaching such a figure, with constantly improving methods of administration, and with more perfect roadbeds and equipment, we may expect to see steadily increasing economy of operation. Is it not fair to presume, then, that these vast gross earnings, coupled with a decreasing ratio of expenses, will most certainly provide for an increasingly satisfactory return upon railroad investments?

I will not weary you with too many statistics. If you are interested in pursuing such a line of inquiry, get the monthly summary of the Bureau of Statistics from Washington. In its way, it is as great an exposition of statistics as is this World's Fair an exposition of material things, and it will well repay study. You will see from the figures which you will find there, for instance, that our foreign trade, which ten years ago footed $1,500,000,000, was this year $2,450,000,000. Our exports of agricultural products may not increase much from present figures, but it is safe to say that our increasing command of foreign markets for our manufactures will perhaps bring the total of our foreign trade to $3,000,000,000 in the next decade. You will see that National bank loans and discounts, which were under $2,000,000,000 ten years ago, are now $3,725,000,000. A similar increase would carry us above $4,500,000,000 in National bank loans ten years hence. Let us hope these loans will not increase with unconservative rapidity. Bank clearings of the country have increased two and a half times in ten years. If progress were to continue at this rate, we would show bank clearings of more than $200,000,000,000 at the end of the next ten years. You will find that the total mineral produc-

tion of the United States has increased in value from $650,000,000 to double that figure. If there is reason to suppose that this increase will continue, we will yet make a record of $2,000,000,000 as the annual product of our mines. Our production of steel has doubled in ten years. The value of the product of our cotton mills increased fifty per cent. The volume of business, as measured by the receipts of the Post Office Department, shows almost a hundred per cent. increase, those receipts coming up from $75,000,000, in 1894, to $144,000,000 for the present fiscal year.

THE UNRIVALLED ECONOMIC STRENGTH OF THE UNITED STATES.

These illustrations might be indefinitely continued, but I have given enough to point the one conclusion which I wish to emphasize, and that is, that you men who administer the great banking resources of the State of Illinois need to keep constantly before you some of these broad statistics of our material progress. Their study cannot help but be encouraging and useful. They must lead to the conclusion that, in the combination of population and natural resources, we stand, as a country, absolutely unrivaled, and with nothing to balk our progress, but our own mistakes. If we look abroad, we see England struggling under most adverse conditions, a great portion of her industrial population actually underfed, and a million people receiving aid under her Poor Laws. We see in France a nation grown rich by thrift, a nation where economy has become a disease, and in the growth of it all initiative for new accomplishment has been lost. In Italy we see a great industrial awakening, but conditions still so hard that a large percentage of our 800,000 immigrants annually come from that country. In Germany we find a barren land yielding from the fields most meagerly and from the mines hardly at all, but with a population whose energy, intelligence and education has built, out of most discouraging conditions, a vast industrial organization which is our one real competitor in the markets of the world. If we will accept from the Germans something of their scientific methods, their carefulness, their thoroughness and their willingness for hard work, and bring such qualities to bear upon our own resources, the figures which I have been quoting as possibilities of the future will yet look small.

These statements are generalities intended to apply only over considerable periods. That the next ten years is to see to some extent a repetition of the development of the last ten, is, I think, a fair presumption. Whether that upward movement has already started or whether it is to start next month or next year, I do not profess to know, and nothing that I have said should be taken as indicating the fixing of a definite date in regard to returning prosperity. Business to-day is unsatisfactory in many respects. The memories of the sore spots which the declines of the last two years have left will make many people slow in accepting the conclusion that we are ready for another great commercial advance. We are always in danger of overdoing, and we may for the moment, perhaps, have already made that error, for prices have shown most substantial recovery—a recovery certainly in advance of what would be warranted by the present actual conditions. It is safe to say, however, that we are to-day in a sound financial position. Bank reserves are ample—at least National bank reserves are. Bank loans and discounts are not of a character to offer grounds for any general criticism. We have probably fully paid off the foreign indebtedness in the shape of finance bills which two or three years ago had reached large totals. We are in a position to command international credits and to bring gold to strengthen our reserves, if we should need it. I believe there is no danger ahead of interference with business development as a result of the Presidential election. We have a corn crop that is worth a billion dollars, a cotton crop worth $600,000,000, and a wheat crop worth $412,000,000. The value of these three crops alone this year is $2,012,000,000, which compares with the value of these same crops ten years ago of $1,067,000,000.

We have learned some valuable lessons in finance, and the memory of the last two years reminding us of the results of the mistakes made at the height of the boom period is keenly enough in our minds to warrant the belief that we will administer our financial affairs with a fair degree of common sense for some time to come. We have learned that there is not a new political economy, but that, in spite of our vast resources, our growing wealth and our recuperative power, we must obey the same old sound laws of finance and commerce that have long ruled.

I am convinced that the possibilities of another great business expansion are at hand, but connected with those great possibilities are great responsibilities. Those responsibilities are largely on your shoulders. The bankers of this country will, in the wisdom of the administration of their trust, or in their lack of wisdom, have great influence on the beginning, the extent and the length of this next period of prosperity.

WISE BANKING LAWS AND WISE BANK MANAGEMENT NEEDED.

I cannot too strongly emphasize my belief in the importance of having our banks and financial interests prepared to play their proper part in the return of prosperity and the fur-

ther development of business. We need banking laws that are wise and banking administration that is wise. Encouragement to a wild speculative boom at this time, when improvement is justified more by hopes and possibilities than by immediate actual conditions, might set the whole period of recovery back a month, six months, a year. A great speculative boom now is not what is needed. It is indeed one of the special dangers. If bankers in the great centers are unconservative in the inducements they hold out to secure deposits, and accumulate great stocks of money which will loan at such low rates as to encourage unduly a speculative spirit, they will strike a blow at this returning prosperity which may long delay its coming.

There is another danger in the banking situation. During the height of the last commercial expansion people so lost their heads as to excuse their extravagant and foolish actions by saying that there was a new political economy, that the old laws no longer applied under the new conditions. They were wrong, lamentably wrong. And to-day a thing for the bankers of this country to remember is that there has been discovered no new law of finance which makes banking without reserves safe and conservative. A bank holding money repayable on demand must keep a fair proportion of that money in its vaults. The experience of all financial history points to that necessity. Whenever the law has been violated disaster has ultimately followed. Do not permit yourselves to believe that there has been any new discovery in finance which will safely permit banking without reserves.

I believe that the conditions are again favorable to a return of prosperity. I believe it is time for optimism. So long as we remember in humbleness our mistakes and hold close to a proper conservatism, the course of financial events seems likely to follow only one general direction, and that is toward improvement, toward expanding business and toward better times.

An interesting and instructive address was made by Hartman Baker, Cashier of the Merchants' National Bank, Philadelphia. He was followed by Hon. William B. Ridgely, Comptroller of the Currency, whose address is given in full below.

BANK EXAMINATIONS AND FAILURES.—ADDRESS OF HON. WILLIAM BARRET RIDGELY, COMPTROLLER OF THE CURRENCY.

No National bank whose officers strictly obeyed the National Bank Act ever failed, not one. It may almost be said that not one which did not make loans in excess of the ten per cent. limit has ever failed. The practically universal rule is that all failures are due to excess loans to one interest or group of interests generally owned or controlled by the officers of the bank itself. In the Comptroller's office, when any question is raised in regard to a bank and the examiner's reports are sent for, the first thing looked at is loans to officers and directors, and then excess loans. If the officers owe the bank little or nothing and there are no excess loans, it is seldom necessary to look much further, for the bank is almost sure to be found in good condition. There are rare cases of sudden flight of bank officers, disclosing unexpected forgeries, defalcations or theft of money, leaving the bank a wreck, but these are almost invariably the last of a chain of misdeeds beginning with the loaning of undue and illegal amounts by the officers to themselves, or concerns in which they are interested. I believe the limit on loans is the most useful and valuable of all the restrictions of the bank act. I am inclined to agree with the views of most of my predecessors in office who have recommended that the ten per cent. limit be extended to cover surplus as well as capital, but I should rather see no change than have this provision made too liberal.

INADEQUATE MEANS OF ENFORCING THE LAW.

These statements may suggest the question: If absolute safety lies in the enforcement of this clause of the law, why is it not strictly and absolutely enforced by the Comptroller's office? Fortunately, it does not necessarily follow that all banks who violate this section do fail, and, unfortunately, there are several serious difficulties which prevent the literal and invariable enforcement of the ten per cent. provision. The most serious handicap is the lack of any moderate penalty enforcible by the Comptroller. The only penalty provided by the bank act for a violation of this provision is a suit by the Comptroller for a forfeiture of the bank's charter. That is, there is no punishment but death for even a misdemeanor. In forty years no Comptroller has ever felt justified in invoking this severe retribution for such violations as have occurred. Violations which result seriously enough to justify such punishment invariably bring it on at once, in the insolvency of the bank, which terminates the charter in a receivership without any suit. Examiners have the most positive instructions to report to the Comptroller each and every excess loan they find, not only those which are plainly so, but all those which they have any reason to suspect are such, concealed by the use of other names or similar devices. It is probable that all are not discovered or even suspected, but

most of them are sooner or later found and reported, however skillfully concealed. They are always made the subject of criticism in letters to the bank from the office, and the bank is notified that the loan should be reduced immediately to the legal limit. This at least serves to fix the responsibility on the directors, and the courts have firmly placed the liability upon the directors for all such excess loans. This is a most important factor, and places a very potent weapon in the hands of the Comptroller with which to bring the officers and directors in line. It is very frequently the chief or only means by which he is able to bring such immediate or strong pressure to bear on those involved as to compel the taking up of loans, giving additional security, or paying into the bank sufficient funds to restore impaired capital, and, in many cases, to save and make perfectly solvent banks which would otherwise have failed, perhaps very disastrously. When a bank failure occurs, there is frequently severe local criticism and feeling against the bank examiner, and sometimes the Comptroller's office. It is, perhaps, claiming too much to say this is never justified, but from the records of the office and my own experience, I believe the cases in which the examiner is much to blame are rare. I have found that the examiners as a class, are competent, hard-working, honest and conscientious, and that their work is well done. Considering that they are alone and too remote from Washington for any personal watching, there is as little disposition to slight the work as could be expected. There are seventy-five examiners in the United States to make 10,914 examinations each year, or an average of 145 per examiner. They are paid by fees, from twenty to thirty-five dollars for each examination of the ordinary banks outside of the reserve cities, and make, above expenses, from two thousand to four thousand dollars a year, except in a very few large places, where it exceeds the larger amount. The system would be improved by paying the men salaries, and having more of them, so they could give more time to each bank, as has frequently been recommended in the Comptroller's reports. But no system of examinations can or is expected to supply honesty or ability in bank management. Unless shareholders elect honest and competent directors who do direct, and they choose honest, experienced, capable officers, who have the brains and character required, there is no system which can make up for their lack.

DUTIES OF BANK DIRECTORS.

The bank examiner and the Comptroller's office have certain duties which they must perform and for which they are responsible, and it is no excuse for them to put blame for their failure to do so in any way upon the directors of the bank. On the other hand, the directors also have independent duties which they must bear and which they cannot shift to the examiners. It is no answer to a charge of neglect of these duties to criticise or complain of the bank examiner. The Bank Act provides that "The affairs of each association shall be managed by not less than five directors," and that "each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this title." No man is fulfilling the obligations assumed in this oath who accepts an election as director of a bank and then allows the officers to manage all its affairs without really letting him know what is going on in the bank at all, as is too often the case. Directors of banks, especially in small towns and country banks, are very often farmers, professional or business men who are not expert accountants and to whom the books of the bank, and, in fact, all its operations, are more or less of a mystery. They are apt to feel that because the officers are so much more familiar with the business and what is shown by the books and statements, and more especially because they have faith and confidence in these officers, that everything is all right, and there is no use in their making inquiries. The duty of a bank director, if he would fulfill the obligation imposed by his oath and protect the interests of the shareholders for whom he is a trustee, and the creditors, to whom he is under even greater moral obligations, requires that he should know positively that the affairs of the bank are being properly managed. Meetings of the directors should be held regularly and frequently, and be well attended by all the members of the board. At these meetings the officers should be required to make full, complete and intelligent reports in such form and detail as to be easily understood by the directors. All loans and important transactions should be reported and passed upon, and especially all notes and securities should be submitted for the personal inspection of the members of the board who are not active officers. All loans to officers and directors should be more closely scrutinized and examined than any others, and the amount of their total liabilities clearly understood. In addition to such exhibitions as are made at regular meetings, the directors should have frequent thorough examinations made by committees of the board, or experts employed for the purpose. These should be made independently of the active officers of the bank and with all the incredulity of the proverbial Missourian, everything should be shown and no man's word taken for anything.

Every clerk and every officer of the bank should be examined and checked up as tho-

roughly as possible, and required to show the examining committee or auditor just how the matters in his charge stand. No man who is in a position of trust has any right to resent such an examination, and one who has a proper appreciation of the relation he bears to those who have reposed trust and confidence in him will welcome such an opportunity to show that he has been faithful and efficient. If all boards of bank directors would do their full duty in the way here outlined, bank failures would almost come to an end. Banks would, of course, make losses, and occasionally one might fail, but it would be rare, and the result of very unusually bad judgment and incapable management. We would very seldom have such sudden and sensational failures of banks, looted from the inside by men who have stood high in their communities, and even thought to be models of honesty and trustworthiness. This is not too much to ask and require of bank directors, but simply the performance of the duty they owe to shareholders and depositors which the law requires of them and which they have sworn to perform.

There should be the most complete co-operation possible between directors and examiners in making examinations. In the book of instructions, National bank examiners are advised to call in two or three directors to go over the loans and discounts, and to call their attention to any irregularities which may appear. It is frequently difficult to get directors to do this work, important as it is. In no other way can the examiner or the directors so surely discover forged or fraudulent notes. An examiner, especially one who has been for some time in the same district, soon gets a pretty good idea of the credits in the district, and can tell very well when a bank is getting too big a line of doubtful paper, but with the time at his disposal he cannot tell as to the genuineness of signatures or even hope to remember all the customers of a bank whose paper he is to pass on. The directors can do this much better than he can, and in many cases the assistance of directors leads to the discovery of grave irregularities which otherwise would almost surely have escaped the examiner.

In the case of a recent failure, it was found that a large portion of the loans and discounts were represented by forged notes which had been carried probably for years. This is the kind of a condition which is likely to deceive the best examiners. Officers who are carrying on such frauds have every advantage of the examiner, who could hardly by any possibility be familiar enough with the customers' signatures and the business of the bank to detect such forgeries. Anything like thorough examinations by the directors or local people who know the community and who are the customers of the bank would have been much more apt to find some circumstance which would lead to such suspicions as to end in discovering any fraud which existed.

Banks do not often fail suddenly. Except in times of widespread panic or the rare cases of unjustifiable runs, caused by false rumors, the process is apt to be a gradual one. At the end, the question whether a bank is solvent or not is frequently a matter of judgment and opinion as to the value of certain assets, notes or securities. Unless there has been gross dishonesty, and a bank has been robbed from the inside, there is always a hope, and frequently a strong probability, that some assistance may be had, or some way be found to save the bank. In my own experience, I have been surprised to find how often this can be, and is done. In more cases than I had supposed possible, banks that are reported in very bad shape are brought into line and saved. The failure of a bank in any community is such a serious matter, and the damage is so far reaching in its ramifications and often so lasting in the blighting and crippling effect on almost every industry and business in the vicinity, that I feel it is the highest duty of the examiner and the Comptroller, and one of the most valuable services they can render, to save a bank whenever it can possibly be done. I have felt justified in taking some chances to do this, and the results have confirmed the wisdom of doing so. When the affairs of a bank have reached this very serious stage, they are not apt to get worse while the attempts are being made to save it. Rather is it more probable that those interested will bend every energy for the collection or securing of doubtful items, and thus the creditors and shareholders will benefit to the extent that these efforts succeed if the bank does finally close. It is much better to let one bank occasionally keep open too long than to close a bank which a few days', or perhaps a few hours', careful, firm handling would have saved.

I had one case where, on the showing made, the examiner was ordered to close a bank. The telegraphic order was accidently delayed in reaching him, and before it was received additional assistance had been secured. The examiner had the discretion and courage to wire for further instructions before obeying orders to close the bank, and the original order was suspended pending developments. The bank continued in operation, and has now been reorganized and put into good shape.

It is in cases of this kind where an examiner is called on to use the greatest tact, judgment and ability. Fair-weather examiners are plenty, easy to get and as easy to keep. Examiners who show real ability in crises are apt to make such a good impression among the bankers they meet that they are sought for as bank officers. One of the difficulties of the Comptroller's office is that so many of the best examiners leave the service just at the time of their greatest usefulness because they are offered greater inducements than the examiner's pay.

At the time of a bank failure one of the most difficult and delicate matters for the examiner, Receiver and Comptroller's office to manage is the information which shall be given to the press, the public, the creditors and the shareholders. It is the policy of the Currency Bureau to give out all the information which they properly can, but a little consideration will show that this is necessarily very little, and is generally far less than is expected and, in many cases, demanded. Experience of many years in almost every conceivable kind of case, however, but confirms the wisdom of the policy which has gradually been adopted. A bank failure is almost invariably followed by considerable excitement in the community in which it occurs. Very frequently the officers of the bank, if disgracefully or criminally involved, commit suicide, and in some cases creditors who have made disastrous losses kill themselves. Rumors and reports of all kinds quickly circulate, and there is the greatest desire on the part of every one to know the exact facts. The newspapers want to satisfy this demand, and besiege the officials in charge and the Comptroller's office with inquiries. The stockholders and creditors more naturally, and with greater reason, demand that they shall be told the exact condition of the bank's affairs. If this could all be determined quickly or in any short time with reasonable accuracy, it should and would be given out. But you, as bankers, will realize how difficult it must be to get quickly any complete knowledge of the situation, and how much better it is to give out nothing than an inaccurate or wrong statement. Any one who owes money to a bank or who has money on deposit with it is entitled to the protection of having it kept confidential just as much after the bank has failed as before, and the impropriety of giving to the public any statement containing this information is manifest. The most insistent demands, however, generally come from the creditors, who ask what they are likely to get for their claims, and stockholders, who, naturally, want to know how deeply they are involved and what they may be called upon to pay. Of course it is utterly impossible for the Receiver or Comptroller to ascertain this until there is time to carefully investigate all the affairs of the bank. These are, of course, involved in all sorts of complications, and nothing but time and patient work can give any accurate or complete knowledge. No estimate can be made quickly, and should not be given out if it could. If the estimate should prove too high, the creditors would complain that they were misled and be disappointed at the result. If it should be too low, many creditors might be induced by necessity to part with their claims for less than their fair value. There is, therefore, no safe course but to wait until the Receiver can carefully ascertain what assets the bank has and what claims are proved before it can be told what the first dividend to the creditors can be and what amount, if any, the shareholders shall be assessed.

CRIMINAL ACTS OF OFFICERS.

In the great majority of failures, the officers have been guilty of criminal acts. It is charges and rumors in regard to these matters which produce the greatest feeling and excitement. People who feel that they have been robbed and swindled by the men in whom they put the greatest trust are naturally very vehement in their demands for swift and immediate punishment upon the wrongdoers. The newspapers want to be given all the facts and to publish all the charges and suspicions at once almost regardless of consequences. The accused officers are tried and convicted on the streets; every rumor is believed and magnified, adding to the proof of their guilt. Sometimes the criminality is so flagrant and the evidence so abundant and plain that the examiner or receiver can swear out warrants and make arrests at once, but this is not always the case. In many cases the facts are not so readily ascertained, but are only obtained by careful and thorough investigation. This requires skill and tact in the handling of the indignant creditors and shareholders, in collecting the evidence, acting vigorously when it is sufficient, and cautiously and with prudence until the case is made. All these questions, however, are more for the United States District Attorney, and, through him, the Department of Justice, to handle than for the Comptroller's office or its officials.

It is generally very difficult for the indignant public to realize that this must be done carefully, and often very quietly, and that there is just as great necessity to avoid unjustly accusing a bank officer as to fail to arrest one who may be guilty. While it may appear as if there is nothing being done because there is nothing in the newspapers and no talk in regard to prosecutions, the officers of justice are always put to work at once, and every possible effort is made to establish the guilt of any one who has broken the law. As you can probably realize, it is not always easy to get the evidence in such shape as to convict a man who is really guilty before a jury. If he has fled, taking money out of the vault with him, the case is, of course, very clear. But if the criminal acts have been more complicated, such as the manipulation of notes, securities and accounts, making fraudulent entries, or having them made by others, although the expert accountants may make a case so perfectly plain and convincing that a jury composed of, say, members of your banking association, or any one familiar with such matters would at once convict, a skillful lawyer for the defense will often confuse

the jury, and sometimes even the court, so that men who should be punished severely go free. I have recently known a case where the Government witness explained to me what he had proved and how he did it. There could be no possible doubt in the mind of any man, experienced in such matters, of the guilt of the accused, but the Federal grand jury had refused to indict them, it being reported that there was not a vote in favor of indictment. An old examiner has told me lately of a case some years ago in the Northwest, where some adventurers had got possession of a bank which they subsequently wrecked. When they began to get in trouble from their own loans in the bank, they bought, for almost nothing, from the Receiver of a mercantile concern which was being liquidated, a large amount in face value of uncollectable and practically worthless notes of farmers in the vicinity. By some means they got these notes, or many of them, renewed in the name of the bank. They then substituted these renewed notes for good notes belonging to the bank, collected the money on these good notes and kept it. The examiner says he made a case which would have been as plain as day to any banker, or the most ordinary bookkeeper, from the entries in the books of the bank, but the jurors who tried the case either could not or would not see it, and the men were never convicted of their crime.

It is frequently the case that the affairs of the bank can be so adjusted that it may safely resume business. Of the 465 banks which have failed in the last forty years, forty-nine have resumed, and of these forty-five are still in operation. Next to preventing the failure of a bank, the most important service which the Comptroller's office can render is to restore it to solvency and prosperity if it can be properly and safely done. Examiners and receivers are instructed to give all possible assistance to efforts of this kind which, in so many cases, are successful and satisfactory.

HUMOROUS INCIDENTS.

In spite of the seriousness of bank examinations and failures, they have their humorous sides and incidents too like almost everything else, and we have some very queer cases. One small bank of $25,000 capital and $20,000 surplus, had about $150,000 of deposits, making about $195,000 total funds available. One man owned all the stock but enough to qualify four other directors and ran the bank himself. The examiner reported that he had loaned $150,000 or more to one concern or group of concerns which he also owned and ran, the collateral being receipts for cotton and cotton seed. Of course a very strong letter was sent him at once, and he came to the Comptroller's office in person. He explained that good loans were hard for him to get, and that what he had done was absolutely safe, and the best thing he could do with the money. He saw the cotton and cotton seed every day; it was all insured, the bank was protected by a wide margin in price, which was true, and the money could be had on demand by shipping the cotton any day on an hour's notice. He said to the Comptroller nothing could be safer than those loans. "I would rather have the notes than money any day. I could not do anything with the money I would know so much about; and, my Lord, Mr. Comptroller, don't I know whether or not I am going to pay myself that money when I want it?" He was told if the money could be collected so quickly and easily he must do it at once and reduce his loan to the legal limit. This he did within a few days. He was doubtless right about the loan being good, and I doubt if he yet realizes the impropriety of loaning himself so much of other people's money when he was so dead sure he would pay it back to himself when he needed it.

Another bank in the cattle country, prosperous and otherwise in excellent condition, had an enormous overdraft by one man which was criticised severely by the office. The President of the bank, who was East, came to answer the letter in person, and proved to be a character almost equal to Owen Wister's Virginian. He told the Comptroller all the circumstances of the transaction. The man who owed the money and he had gone West together. Both had been cowboys, and they had slept side by side on the ground, sometimes with only one blanket for the two. They had saved money together and had been partners in cattle raising. The proceeds of this overdraft had bought a lot of cattle this old partner was grazing and expected to feed and fatten. The banker had no interest with him now, but he saw the man almost every day and the cattle frequently. He said: "Mr. Comptroller, that man isn't going to cheat me. He would not move those cattle off if he could, and could not if he would, without my knowing it. I know that man is as honest as any man that ever lived. Me and him know each other better than most husbands and wives know each other. He knows me and I know him better than his Maker. I know he will pay me that money when he sells the cattle, and he knows I would kill him if he didn't. That overdraft is just as good as his note, so what is the use of my taking a note? If I did, he would not want to pay me but twelve per cent., and now he is paying me eighteen." A slight difference of six per cent. must rather appeal to men who sometimes loan at two, or even one per cent., on stock, however, which you count by shares rather than by the head, and in markets where bulls are, perhaps even on the weakest days, more plentiful than steers. It is possible also that the contemplated

means necessary as a last resort to enforce the ultimate responsibility, should be given some consideration in determining a proper remuneration for the service rendered. I took some pains to learn the result of this operation, and was glad to know that the cattle did well, and the cattle man paid the overdraft and had a good profit left after paying his old partner eighteen per cent.

VALUE OF KNOWING YOUR CUSTOMERS.

As a matter of fact, our cowboy banker had in his own way applied a true principle of banking credit to this transaction, and in spite of the surroundings, the relation between them was the ideal one between a banker and his customer, based on a thorough knowledge of each other. He knew his customer and his business thoroughly, and knew he was worthy of the credit he gave him. If the same relation could exist between all bankers and their customers, there would be less need of bank examinations and all the precautions I have been discussing.

The point I wish to emphasize, however, is that the responsibility for bank management is by the law placed upon the board of directors. By accepting a place on a bank board and taking the oath of office, a man accepts this responsibility and swears he will diligently and honestly administer the affairs of the association. He is under every moral and legal obligation to perform his duty fully and completely. If every board of bank directors in the country, both National and State, would fully realize the importance of the trust reposed in them, and diligently, as well as honestly, do their full duty by the bank, failures of such institutions would be exceedingly rare. It is certainly not asking too much of men who accept such trusts that they simply do their plain sworn duty.

Hon. David R. Francis, President of the Louisiana Purchase Exposition Association, spoke on the attractions of the Fair, and John L. Hamilton described the recent convention of the American Bankers' Association in New York, also the San Francisco convention.

A pleasing incident next took place—the presentation of pins to each of the former presidents and secretaries of the Bankers' Association of Illinois, who accepted the tokens in brief speeches.

Frank P. Judson, Cashier of the Bankers National Bank, Chicago, delivered his report as secretary at the second day's session, showing a present membership of 910, compared with 880 in July, 1903. H. C. Hamilton, President of the Bank of Girard, as treasurer of the association, reported a balance of $4,862 on hand.

E. J. Parker, of Quincy, read his report as chairman of the Congressional committee, which was in part as follows:

"I might, Mr. President, make a few observations in this connection with reference to continuing the committee on Federal legislation. I think the question of currency reform should perhaps be initiated in the West; not that I wish to intimate that any sectional feeling should be aroused, but we can hardly expect the work to be undertaken in the East or through New York city. But under any new legislation contemplating issues of bank currency other than under the present system of National bank notes, the imperial cities of the West, say Chicago, St. Louis, New Orleans, San Francisco, and I might mention others, should become, ultimately, centers for the redemption of bank-note issues, and with their widespread interests profoundly interested in all that relates to this subject. On this committee, if continued, you, Mr. President, or your successor, should be very careful in the selection of its members, and I would respectfully suggest that the ablest political economist in the State of Illinois should be a member of it.

* * * * * * * * * * *

What dangers underlie our present system? I will put the matter interrogatively, rather than to state it affirmatively. Will you not admit that under our present inflation of the currency, notwithstanding the great increase in the production of gold, there has been a great congestion in the city of New York which leads to unwise speculation and creates conditions resulting in unstable and fluctuating rates of interest?

Again, will you not admit that the time has come for a change in the sub-Treasury system? That system was inaugurated when the Government wished to control enough gold (only a few thousand dollars at the time) to pay its interest obligations. To-day gold, in the United States Treasury, is counted by the hundreds of millions. The receipts from internal revenue should not be locked up there, but deposited in the banks.

Treasury notes issued during the Civil War it was thought at the time would be but a temporary issue.

Will you not admit that this issue, as well as silver certificates and National bank notes, cannot respond to the demands of trade? The limitation in the amount of National bank notes which can be retired monthly was intended, at the time, as an inflation measure. With the demand issues of the Government and silver certificates once retired, and the amount of Government bonds decreasing, there would be a necessity for some new and well secured form of currency which could be retired, when no longer needed, as rapidly as it is put out. What are the conditions to-day? Take up the morning paper and you will read that the Secretary of the Treasury is watching the market rates for money and may, if necessary, assist in stimulating the further issue of National bank notes. We should never be compelled to look to Washington for any help in times of monetary stringency. Under a proper system the business interests of the country would not do so, but could take care of themselves. Demand money in New York this summer has been at a fraction of one per cent., when in St. Louis, Chicago, Minneapolis, New Orleans and San Francisco, it has ranged from four to five per cent. It is in the interest of all classes of business that we should have more stable, and, if possible, equalized rates of interest throughout the country. If we can have National legislation which will give us (whether in your lifetime or mine, I cannot say) a currency redeemable in gold, secured by a safety fund, with periodical and compulsory redemptions in the leading cities from the Atlantic to the Pacific (not redeemable, as at present, only in the City of Washington, which is not a commercial center) what would be the result? There would be less congestion in the city of New York, and bankers would be compelled to carry large balances in the great commercial centers of the country. Interest rates, therefore, would be more nearly normal, stable and, in time, possibly, equalized throughout the country.

There is a great waste under our present system. Consider, for a moment, the severity of the contraction of credits and liquidation lasting for a long period of years after the panics of 1873 and 1893. We have had in times past presidential candidates on greenback platforms, namely: General Weaver, Peter Cooper, General Butler, and I am not quite sure whether Horace Greely was for or against greenback inflation. In our country there is a division of sentiment—I might almost say parties. It has been claimed that "prosperity depends on values; values depend on the supply of money: the more money, the higher values; the higher values, the greater prosperity." Opposed to this erroneous statement, or party—if you please—I will say, prosperity depends upon the continuous industry and enterprise of labor, in the fields, factories and mines.

The result of the coming presidential election neither you nor I can tell: nor, in the event of the defeat of Judge Parker, what reasons may be assigned for it. We do know that there are radical elements in both parties, and it is impossible to tell what legislation may, with the illusive idea of the omnipotence of governmental fiat, be proposed.

In closing, let me put it again interrogatively, rather than affirmatively: Should there not be a reform in the sub-Treasury system of the United States? Should not the demand issues of the Government and silver certificates be retired, and some substitution made for National bank notes, which, it is admitted, are regulated in amount solely by the price of bonds, quite irrespective of the business demands of the country?

In general, should we not all make the principles of banking more and more a study, and be prepared to assist in bringing about reforms in national legislation? In the conduct of your own business have there not been times when progress is only made by taking some bold steps, and at the right time? Whether Iowa, or any other State, should continue to act with us, let us take a bold stand, so that we may be prepared to support any wise financial legislation and oppose such legislation as would be disturbing and dangerous to the business interests of the country."

E. D. Durham, of Onarga, was elected president, John S. Little, treasurer, and F. P. Judson was re elected secretary.

MARYLAND BANKERS' ASSOCIATION.

The ninth annual convention of the Maryland Bankers' Association was held in the old Senate Chamber of the State House, at Annapolis, October 27 and 28.

After prayer by Rev. Joseph P. McComas, of St. Anne's Protestant Episcopal Church, Governor Warfield made the address of welcome. He said that the bankers of Maryland had the custody and control of over $220,000,000, and that last year they paid over $500,000 in State, county and municipal taxes. An address of wel-

come was also made by James M. Munroe, of Annapolis. Charles Hann, Assistant Cashier of the National Mechanics' Bank, Baltimore, responded for the bankers.

President H. H. Haines then delivered his annual address, and after describing the association's activities, took occasion to praise the resolution and energy shown by the bankers and people of Baltimore generally in overcoming the effects of the great fire. Reports of various committees were read, following which an impromptu address was made by James H. Eckels, President of the Commercial National Bank, Chicago, and former Comptroller of the Currency. He declared that the Comptroller exercised greater power over the fiscal affairs of the country than any official in the Government, but that this power was not derived so much from the statutes as from the willing aid given the Comptroller by the banks under his supervision.

Addresses were also made by J. Wirt Randall, Ex-Gov. William Pinkney White, Wm. Ingle and John M. Nelson.

For the ensuing year the following officers were chosen: President, Gen. John Gill, President Mercantile Trust and Deposit Co., Baltimore; vice-presidents, William F. Applegarth, President Farmers and Merchants' National Bank, Cambridge; Robert K. Waring, President Central Savings Bank, and R. Vinton Lansdale, Cashier National Exchange Bank, both of Baltimore; William B. Spiva, Cashier Bank of Somerset, Princess Anne; Stevenson A. Williams, President Harford National Bank, Belair; Harold Harding, Cashier Patapsco National Bank, Ellicott City; A. G. Thomas, Treasurer Savings Institution, Sandy Spring; Jacob W. Hook, President Old Town National Bank, Baltimore; Capt. Frederick M. Colston, of the banking house of Wilson, Colston & Co., Baltimore, and John Crowther, President Towson National Bank. Charles Hann, Assistant Cashier of the National Mechanics' Bank, Baltimore, was elected secretary, and Wm. Marriott, Cashier of the Western National Bank, Baltimore, who has been treasurer of the association since 1897, was re-elected to that office.

NOTICES OF NEW BOOKS.

Moody's Manual of Corporation Securities. John Moody, Editor. New York: Moody Publishing Co.

The scope of the work is sufficiently indicated by its title. It embraces in its 2,369 pages very full information in regard to all classes of corporate securities, and bankers, trust company officers and investors generally will find it an exceedingly valuable work for reference.

Blue Book and Cyclopaedia. Pittsburg: Whitney, Stephenson & Co.

Hand-books of general knowledge are always useful, and this one seems to embody a large amount of information within small compass. The range of subjects is wide, including a dictionary of the English language, a compendium of general knowledge, gazetteer and atlas of the world, a cook-book, garden manual, twentieth century census, etc., etc.

Banking Publicity; a Manual on the Art of Advertising the Business of Financial Institutions. By Francis R. Morison. New York: Moody Publishing Co.

That banks must advertise is a fact now recognized by every progressive banker. Since this is true, it follows that the most effective way of advertising should be carefully studied. Mr. Morison has gathered the views of a number of representative bankers on the subject, and has supplemented these with many practical and helpful suggestions, including various styles of display advertisements. His work seems to be well adapted to the promotion of effective financial advertising, and will meet the needs of all classes of banks as well as trust companies.

LOOSE-LEAF ACCOUNTING IN BANKS.

It is generally supposed by the business world that a bank clerk is never allowed to erase a figure or scratch one out, it being held that books of accounting which show marks of erasure will not hold in court. Again, it is generally understood by the public that banks are never allowed to balance until they have found the amount for which the books are out of balance. Much is heard of bank clerks searching for hours for even a penny, and while this is true that they exhaust every effort to find even so small a sum, nevertheless, when a bank opens in the morning they must be ready for business, and the writer knows of many a bank which has forced a balance, not only once, but often, and also that banks do allow erasing or scratching out of figures. So far as erasing is concerned, we make exception of our English and Canadian accountants who are taught right and who draw a line through the error and write over or under same.

When the writer in his recent visit to the World's Fair had the pleasure of being shown through the model banking institution of its kind, the World's Fair National Bank on the World's Fair grounds at St. Louis, and he felt that, in the interest of loose leaf accounting he ought to give to the accounting and banking interests of the country his impressions of same.

Accounting is the same to day as it was hundreds of years ago. The fundamental basis of accounting, debit and credit, can never be changed and the only advancement that can take place is in the various applications of this fundamental rule. Within the last ten years a mechanical invention has revolutionized accounting and made new and useful ideas possible; not that accounting has changed but that mechanism has been advanced.

In order to make the method clear, we will trace the various transactions of banking, from the moment that the customer opens an account at the bank, showing how his deposits are handled, how his checks drawn are taken care of, how his time certificate of deposits are recorded, how his drafts drawn on New York or Chicago are disposed of, how his acceptance of drafts are provided for and what is done with the loans that he makes, as well as the items he places with his agent, the bank, for collection.

The Northern Oil Company, wishing to open a banking account, upon being properly introduced and vouched for at the World's Fair National Bank, are required to register their signatures. In former years a bound book would have been offered for these signatures; in more recent years, and still commonly prevalent, loose-leaf cards, but in this more up to-date banking house, a loose-leaf with holes punched at the margin and locked in a binder is presented. The loose leaf sheet is advanced, because it has all the advantages of the bound book combined with the elasticity of the cards, and the further advantages of its protection from dirt and dust, and in the superpliability of paper over card-board. The Northern Oil Company having signed the required sheet or link of the expansive chain of registration, a deposit is made out as follows:

Checks on World's Fair National	$85,189.67
Checks on other banks	6,734.78
Currency	254.35
Total	$92,178.80

The teller receiving the deposit enters it on the left side of a loose leaf sheet, which is virtually a cash-book, held temporarily that day in a spring-back holder, provided for that special purpose, the holder being the mechanical part of the accounting.

At the close of the day's banking this cash record of receipts and disbursements, for it is as well a record of cash paid out, is taken out of the holder and filed in a loose-leaf binder. What is the result? Next day, or possibly six weeks afterward, it is necessary to refer to this day's record. With the old bound book it would have been necessary to go to the receiving teller's cage and bother him for his bound book, possibly at a time when he had a rush, the seeker for information, very likely also in a hurry—as the essence of banking is quickness and dispatch, it would be quite disastrous for all concerned. With the loose-leaf idea, this is all changed. The man seeking information calmly turns to the filed records and the teller goes happily and merrily along, knowing he is freed from this former vexation.

The checks deposited by the Northern Oil Company are handled as follows: The checks drawn on the World's Fair Bank are turned to the bookkeeper, who has charge of the individual depositor's accounts; to the exchange clerk in charge of checks drawn on local banks are passed the local checks, and to the clerk in charge of exchanges on out-of-town banks the out-of-town items are given.

The bookkeeper receiving the portion of checks drawn on us, sorts same alphabetically and enters the checks on the debit side of the various customers' accounts who drew the checks. The bookkeeper then turns over these checks to the clerk who has charge of getting out the customers' statements. With the aid of the adding machine he lists these debits each day. At the close of the day the bookkeeper makes the extensions of the items that have been listed and drawing off the debit balances and the credit balances, by subtraction he obtains the balance of balances. The teller also has a balance of balances obtained by finding the difference between the checks and deposits. Thus the bookkeeper and the teller should balance.

One may ask what are the advantages over the Boston ledger. First, there are no dead accounts. As soon as a customer's account ceases to be a live account, it is removed from the ledger. With the elimination of dead accounts it is much easier to take off a balance. It is unnecessary to carry forward balances, unnecessary to rewrite the names weekly or monthly. Instead of the heavy clumsy old Boston ledger, which was generally twenty by twenty-two inches, we have a neat compact book, easily handled. It makes the bookkeeper's efforts much more accurate and several times as speedy. Furthermore, it is a constant and accurate check on the teller, and renders it an easy matter to balance the customer's account at the end of the current month. In fact, the complete statement is ready at a moment's notice any time it is called for during the month.

The second portion having been turned over to the clerk in charge of exchanges on local banks, he enters same on his record; formerly it was a tedious process done by hand, and very frequently was the occasion for many errors. Quite often it fell to the lot of the runner to take care of this record, and as he is usually the latest, acquisition, quite often green and inexperienced, it often delayed the routine business of the bank. With the introduction of the loose-leaf binder and the adding machine, a new application has presented itself. The clerk in charge inserting the loose leaves in the adding machine makes two copies of the checks drawn on other banks and cashed by his bank. The copy he presents to the other bank, receiving in return their lot of checks cashed by them and drawn on his bank. Inserting the same sheet upon which he recorded the checks drawn on the rival bank, he lists the checks cashed by them for his bank. This is not only neater, but it is accurate, almost infallible. It is expeditious. The third portion of items received by the teller is turned over to the bookkeeper in charge of the out-of-town exchanges.

Formerly he made out his collection letter with copying ink and the same was taken to the letter press and copy made. This is a slow process. Frequently the copies were indistinct and blurred, thus becoming useless and by reason of their being a continuous record, necessarily had to be indexed. With the method installed at the World's Fair Bank they are made out in duplicate with carbon copy, the original being mailed and the duplicate filed alphabetically.

Inasmuch as each bank has its own correspondent in the various cities, a check drawn by a customer in San Francisco, cashed in Illinois, is not necessarily sent by the Illinois bank direct to the bank at San Francisco, upon which the check is drawn. As a matter of fact the Illinois bank will very likely send the check to its Chicago correspondent who in turn will mail it to their correspondent in San Francisco, where it will pass through the clearing-house, finally reaching the bank upon which it was drawn. This gives rise to sharp practice and opportunity on the part of the public to take advantage of the time required for a check to pass in the course of collection from one bank to another.

With the loose-leaf method no indexing is required, as the binder is self-indexing. The copies are clear and have the additional advantage of being made at one operation, whereas with the old letter press several operations were required.

Let us suppose, now, that the Northern Oil Company decide to pay in New York funds a Boston concern who refuses to accept checks drawn on local banks, contending same is not negotiable. They buy a draft from the World's Fair Bank, paying exchange for same. Sometimes when the customer's account is valuable the bank is very glad to issue New York exchange free of charge.

Formerly the banks had these New York drafts arranged in bound form. With the loose leaf methods these drafts are made in pads and a loose-leaf sheet is used in lieu of the old stub. At the end of the day journal entry is made of the total drafts issued and carried to the general ledger.

New York or Chicago drafts cashed are treated in a manner similar to the out-of-town checks described above, duplicate letter being sent to correspondents, eliminating the use of the copy book, journal entry being made of total of teller's records and carried to general ledger. Once a month settlements are made with corrrespondents and, owing to the fact that all letters of one correspondent are filed together, it makes that an easy matter of checking up the accounts and comparing at the end of the month.

By every mail acceptance paper is received by the bank. These are drafts drawn by out-of-town customers on parties living in the same city or vicinity in which the bank is located. These are drawn sometimes at sight, sometimes three or five days, usually some understanding having previously been had between the firms interested. These drafts are presented by the runner, who usually makes two trips a day and they are disposed of in the following manner:

They may be paid with cash, or refused, or the word "accepted" and date simply written across the face. They may be accepted at the bank presenting same or at any other bank with whom the customer does business. They are then treated very much like checks on other local banks, or out-of-town banks, except that they are entered in columns assigned to themselves and exchange is demanded by the banks collecting them.

As a rule more loans are rejected than accepted. However, it is advisable to keep a loose-leaf record of all applications, as it often assists in deciding upon a loan if the applicant has been refused on former occasions. At such times, information is collected, which in the future assists materially in deciding whether a loan is safe or risky. A loose-leaf record is made in numerical order of all loans made with a distribution of interest earned.

Another very valuable record maintained on the loose-leaf plan is the loan matu-

rity record. The opportunity presenting itself for a large loan, a record of the available funds on the date in question is easily obtained.

In addition an alphabetical record is kept, giving a list of the makers of loans together with useful and valuable information regarding collateral left for security, such as stocks and bonds, warehouse receipts and securities of all descriptions. It also contains a record of principal, notes and interest, notes paid and credited on each ledger.

With these three valuable records we have an alphabetical, numerical and chronological record of all loans made. This is appreciated by bankers who have used the old-style records, in which it has been necessary to have a complete description before a loan could be located.

Many other records are maintained, such as certificate of deposits received and cashed, petty cash disbursements, etc.

Occasionally criticism is made by those long accustomed to the old method, that the loose-leaf system does not hold in court. The courts have repeatedly held that the loose-leaf methods are binding and safe. The powerful bonding companies of the world do not hesitate to accept the bond of those using properly-devised loose-leaf account books, and upon the opening of the World's Fair Bank the Comptroller of the Currency assigned National Bank Examiner J. B. McDougal to pass judgment upon the banking methods in question. His report was very flattering to lovers of loose-leaf accounting and to all interested in new ideas.

One might as well question the authority and validity of legal documents drawn on loose legal foolscap. In replying to their criticism, I ask them, carrying out their own contention, why they do not insist upon legal documents being used in bound form.

In a great many instances the Government is using loose-leaf accounting. The largest representative commercial houses in the world are using it, and in the case of the World's Fair Bank we see that it has been given national prominence, inasmuch as it has been sanctioned by the right hand of the Comptroller himself.

G. F. Watt.
(Baker-Vawter Company.)

THE BANKERS' MAGAZINE.

From C. F. Phillips, President Corporation Trust Co. of Delaware, New York City: "I value the Magazine highly and read it constantly."

From Gaston Parsons, Bracken County Bank, Brooksville, Ky.: "I consider your Magazine the peer of all others, and derive a great amount of information from it."

From William C. Oakley, formerly National bank examiner, Chicago: "Permit me to congratulate you on maintaining a bankers' publication of so high a standard, and of such practical value."

From the Bank of Lincolnton, N. C.: "Always continue to send your Magazine, as our bank could not do without it."

From C. P. Hunter, Cashier Bodcaw Bank, Stamps. Ark.: "We would not be without it."

Bank in Liberia.—The French Government has authorized the French West African Bank to increase its capital and to open a branch in Monrovia. Hitherto the finances of Liberia have been almost wholly in German hands, though there has been no bank in the Republic.

THE KENTUCKY BANKERS' ASSOCIATION.

The Kentucky Bankers' Association held its annual convention at St. Louis, Mo., October 5 and 6. A. Y. Ford, chairman of the Kentucky World's Fair Commission, made the address of welcome, and Col. J. D. Powers, of Louisville, responded. President E. B. Long, of Hopkinsville, then delivered his annual address.

Judge W. O. Harris, of Louisville, made an address on the Negotiable Instruments Law, adopted at the last session of the Kentucky Legislature. J. C. Flournoy spoke on the growth of Kentucky and other parts of the South.

At the second day's session the following officers were chosen: President, H. C. Rodes, President Citizens' National Bank, Louisville; secretary, Isham Bridges, Manager Louisville Clearing-House Association; treasurer, E. W. Hays, Cashier National Bank of Kentucky, Louisville.

A full report of the convention of the Kentucky Bankers' Association will be presented in the next issue of the MAGAZINE, the detailed proceedings being received too late for the November number.

ADDITIONAL BANKING NEWS.

Chicago.—The new Prairie National Bank which recently opened for business in the National Life Building, with $300,000 capital and surplus, is a reorganization of the Prairie State Bank. It is the aim of the bank to offer special facilities for carrying small mercantile accounts. The officers are: President, George Van Zandt; Vice-President, George Woodland; Cashier, Wm. B. Conklin.

Belleville, Ill.—The First National Bank, of this city, is now located in its own building, a handsome four-story brick, the interior being finished in Tennessee marble. The building in its contruction and equipment is up to the metropolitan standard, and is creditable to the enterprise of the bank.

East St. Louis, Ill.—H. D. Sexton, President of the Southern Illinois National Bank, of East St. Louis, recently made a proposition to the stockholders of the East St. Louis Trust and Savings Bank, to buy the entire stock at $225 per share, which was accepted, the entire amount paid therefor being $562,500. The banking business of the Trust Co. was absorbed by the Southern Illinois National Bank, which makes its deposits exceed $1,500,000, making it one of the largest and strongest banks in Southern Illinois.

Wellston, Mo.—The Wellston Bank recently moved into its new building, which is described as being very handsome and substantial. It is equipped throughout with the latest furnishings and fixtures, including modern fire and burglar-proof safes and vaults.

Under the management of Cashier H. R. Rehme the deposits of the bank have been steadily growing, an increase of more than 100 per cent. being reported since the first of the year.

Johnstown, Pa.—The United States National Bank, in its official report of September 6, shows: Capital, $200,000; surplus, $32,000; undivided profits, $5,825; deposits, $863,762; total resources, $1,301,639.

Plainfield, N. J.—The Plainfield Trust Company has purchased land on which it will erect a fine building for its use. It will be one story high and will have a marble front, and will be provided with every modern improvement and modeled after the more recent structures of the kind in New York city.

Attica, Ind.—The charter of the Farmers and Merchants' Bank having expired, the Farmers and Merchants' State Bank has been organized as its successor, with $90,000 capital and surplus. For the past twenty years the Farmers and Merchants' Bank has been an eminently successful institution, and under the reorganization the policy that has brought about this result will be continued.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—The 250 members of the City Bank Club, which comprises only officers and employees of the National City Bank, met on the evening of October 19 and listened to addresses by William Scherer, Manager of the Clearing-House, on bank work, and by Francis E. Hamilton, solicitor to the Collector of the Port, on the customs service.

—Messrs. Speyer & Co., representing a syndicate of American and European bankers, on October 18 secured the $40,000,000 Mexican Government gold loan.

—A branch post office is to be established on January 1 at No. 60 Wall street, to handle the mail for the financial district.

—The first annual dinner of the employees of the National Bank of Commerce was held at Mouquin's on the evening of October 8, and was attended by the clerks and officers of the bank, all numbering 300. Addresses were made by several of the officers, and a programme of vocal and instrumental music, recitations, etc., further added to the pleasure of the evening.

—The annual dinner of Group VIII of the New York State Bankers' Associatiou will be held at the Waldorf-Astoria December 20.

—Incorporation papers were filed in the county clerk's office October 17 for the Bank of the Commonwealth, Brooklyn. It will be located in the neighborhood of Flatbush avenue and Fulton street, and will have $100,000 capital.

—The Chelsea Exchange Bank has been admitted to clearance through the Oriental Bank.

—Charles A. Conant, Treasurer of the Morton Trust Co., made the principal address at the meeting of the New York Chapter of the American Institute of Bank Clerks on the evening of October 13. He spoke of the necessity for a broad education of a banker and especially a thorough understanding of foreign banking conditions, which would enable the prompt grasping of opportunities to result from the country's greater participation in international affairs as a result of the expansion of territorial lines during the last few years.

—The meeting of the board of consuls of the New York Chapter American Institute of Bank Clerks, at the Union Square Hotel, on September 22, 1904, marked the opening of the active season's work for that organization. The meeting took the form of a dinner, which was presided over by L. J. Grinnon, of the New York County National Bank, chief consul of the chapter.

Among those who addressed the meeting were S. Ludlow, Jr., of the Fourth National Bank, the organizer and first president of the association; M. F. Bauer, of the American Exchange National Bank, the retiring president; J. A. Neilson, of Brown Bros., the present presiding officer, and also several of the officers and committee chairmen. Representatives from about forty of the financial institutions of Manhattan were in attendance and suggestions were made by all present, many of which give promise of adding numerous valuable features to the educational and social work of the coming season.

On October 13 Alexander Hamilton Chapter was consolidated with New York Chapter, thus giving this city the largest chapter organization of any city in the union, and the outlook promises to make the organization the largest association of bank employees of any city in the world. The objects of this organization, being as they are the education of the employee in the science of banking and finance, bespeak for it the fullest approval and support.

NEW ENGLAND STATES.

Newport, R. I.—At a meeting of the directors of the Aquidneck National Bank, October 17, Thomas B. Congdon was elected Cashier to succeed Charles T. Hopkins, resigned on account of ill-health. Mr. Congdon is about forty years of age and is a native of Philadelphia. He has resided in Newport for twenty-six years, and has been with the Aquidneck National

Bank twenty-five years, first as clerk and then as teller until May, 1902, when he was elected Assistant Cashier.

Connecticut Savings Bank Association.—The annual meeting of the Connecticut Savings Bank Association was held at New Haven, October 25. A bill for reducing the tax on securities held by the Savings bank was a chief topic of discussion. President Walter Learned was re-elected.

MIDDLE STATES.

Branch Savings Banks.—Under the Savings Bank Law of New York, the organizers of a Savings bank must bear the preliminary expenses of organization as well as assume the responsibility of protecting depositors from loss. This tends to restrict the organization of Savings banks in localities where there are no wealthy men to undertake such responsibilities. It is proposed to obviate this difficulty by permitting existing banks to establish branches under proper restrictions.

SOUTHERN STATES.

Nashville, Tenn.—The First National Bank recently issued the best statement in its history of more than forty years.

On account of the great increase of business it has been found necessary to erect a new building, and plans have been completed for the erection during the year 1905 of the First National Bank building, a modern twelve-story fire-proof structure, which will cost $350,000.

Lake Charles, La.—The Calcasieu National Bank on October 28 moved into its refitted banking rooms, and the alterations and improvements are so extensive as practically to constitute a new banking home. In point of furniture, vaults, etc., the new banking rooms are models of taste and solidity, and the bank is to be congratulated on this evidence of its progress and prosperity.

Southern Lumber Shipments.—Pensacola is no longer the leading southern port with respect to lumber shipments. Gulfport, three years ago comparatively unknown, has assumed the leadership, exporting last year 193,000,000 feet of lumber, as compared with 174,-000,000 feet from Pensacola. Present shipments are being made at the rate of over 250,000,000 feet per annum. The greater part of this growth, probably unexcelled in its rapidity, has been due to the Gulf & Ship Island Railroad, whose southern terminals are at Gulfport and whose main line and branches tap some of the richest timber land in the South.

Hattiesburg, Miss.—The National Bank of Commerce, of this city, was organized nine years ago with $25,000 capital, and no paid-in surplus. According to its last official statement it had $150,000 capital, $150,000 surplus and $25,981 undivided profits, while the deposits were $707,942. Such a record, both as respects size and strength, is certainly exceptional. Officers of the bank are; President, J. P. Carter; Vice-President, John Kamper; Cashier, F. W. Foote; Assistant Cashiers, R. C. and G. J. Hauenstein. Mr. Foote is president of the Mississippi Bankers' Association.

WESTERN STATES.

Chicago.—The National Bank of North America has been merged with the Continental National Bank.

Peoria, Ill.—Peoria Chapter of the American Institute of Bank Clerks has been organized, with a membership of sixty-five and with the following officers: President, William Hazzard, Commercial-German National Bank; vice-president, H. C. Bigham, First National Bank; secretary, Geo. T. Kennedy, Merchants' National Bank; treasurer, William Cation, Central National Bank. Members of executive committee—Frederick A. Bracken, Peoria National Bank; Jos. Scherer, Home Savings and State Bank; Frank B. Weber, Savings Bank of Peoria.

Des Moines, Iowa.—The University Bank, of Des Moines, established in 1901, has found it necessary, owing to the growth of business, to move into new and larger quarters at 2401 University avenue. The equipment is all new, the fixtures having been made in Des Moines. An up-to-date vault, and all modern improvements, have been installed in the new banking rooms.

Cleveland, Ohio.—It is announced that the Commercial National Bank and the Mercantile National Bank will go into liquidation on December 1 and that the National Commercial Bank will be organized as the succeeding institution with $1,500,000 capital and $750,000 surplus.

Oshkosh, Wis.—The National Union Bank is remodeling its entire building. The main banking room will be made about fifteen feet longer, and the exterior and interior will be greatly improved in all respects. New vaults will be put in and mahogany furniture, the latter installed by Messrs. R. Brand & Son, of Oshkosh.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice:

Merchants' National Bank, New Orleans, La.: by E. S. Woodfin, et al.

Lawrenceburg National Bank, Lawrenceburg, Ky.; by J. M. Johnson, et al.

People's National Bank, Sedan, Kans.; by Otto D. Stallard, et al.

First National Bank, Bentonville, Ark.; by D. W. Peel, et al.

First National Bank, Twin Falls, Idaho; by Samuel H. Hays, et al.

First National Bank, Harrington, Wash.; by H. E. Christensen, et al.

First National Bank, Whitney, Tex.; by A. G. McMahan, et al.

National Bank of Jamesport, Jamesport, Mo.; by W. N. Keener, et al.

First National Bank, Carrizo Springs, Tex.; by J. L. McCaleb, et al.

Farmers and Merchants' National Bank, Mart, Tex.: by Geo. D. Campbell, et al.

First National Bank, Chase City, Va.; by Geo. A. Endly, et al.

Security National Bank, Randolph, Neb.: by C. H. Randall, et al.

First National Bank, Hagerman, N. M.; by A. L. Norfleet, et al.

First National Bank, Newberg, Oreg.; by W. C. Kruger, et al.

People's National Bank, Lampasas, Tex.; by J. M. Brown, et al.

First National Bank, Mercury, Tex.; by M. C. Cawyer, et al.

First National Bank, Westville, Ill.; by Geo. G. Robertson, et al.

First National Bank, State College, Pa.: by W. D. Beckley, et al.

Farmers and Merchants' National Bank, Verdon, Neb.: by Edwin E. Ewing, et al.

First National Bank, Hartford, Ark.; by W. J. Echols, et al.

First National Bank, Glenwood, Minn.; by P. Peterson, et al.

Greene County National Bank, Hunter, N.Y.: by J. D. Ireland, et al.

First National Bank, Baltimore, O.; by A. J. Solomon, et al.

First National Bank, Corbin, Ky.; by W. T. S. Blackburn, et al.

Villisca National Bank, Villisca, Iowa; by F. F. Jones, et al.

First National Bank, Sharon Springs, N. Y.; by Dewitt C. Dow, et al.

Fairfield National Bank, Lancaster, O.; by Henry B. Peters, et al.

New Richmond National Bank, New Richmond, O.; by W. T. S. Blackburn, et al.

First National Bank, Marshfield, Oreg.; by O. B. Hinsdale, et al.

First National Bank, East Chicago, Ind.; by Albert DeW. Erskine, et al.

First National Bank, Arvada, Colo.; by D. H. Staley, et al.

First National Bank, Arcadia, La.; by S. W. Smith, Jr., et al.

First National Bank, Montour, Iowa; by W. A. Dexter, et al.

First National Bank, Goodhue, Minn.; by H. M. Scovell, et al.

People's National Bank, Jackson, Mo.; by Wm. Parr, et al.

First National Bank, Banks, Ala.; by Fox Henderson, et al.

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

First State Bank, Lineville, Ala.; into First National Bank.

People's Bank, Sylacauga, Ala.: into Merchants and Planters' National Bank.

Spalding State Bank, Spalding, Neb.; into First National Bank.

NATIONAL BANKS ORGANIZED.

7412—Farmers' National Bank, Kingman, Kans. Capital, $25,000; Pres., A. C. Tredick; Vice-Pres., A. O. Yeoman; Cas., D. Billings.

7413—First National Bank, McLean, Texas. Capital, $25,000: Pres., R. H. Collier: Vice-Pres., W. E. McLaughlin; Cas., C. M. McCullough.

7414—Runnels County National Bank, Miles, Texas. Capital, $25,000; Pres., S. W. Meineke; Vice-Pres., C. H. Whitaker; Cas., W. S. Davis.

7415—American National Bank, La Fayette, Ind. Capital, $125,000; Pres., H. A. Taylor;

Vice-Pres., E. F. Hayward: Cas., Will S. Baugh: Asst. Cas., G. B. Thompson.

7416—First National Bank; Goff, Kans. Capital, $25,000; Pres., L. D. Allen; Vice-Pres., L. A. Corwin; Cas., C. S. Goodrich.

7417—First National Bank, Alexander City, Ala. Capital, $35,000; Pres., Benj. Russell; Cas., T. C. Russell; Asst. Cas., J. H. Henderson.

7418—American National Bank, San Diego, Cal. Capital, $100,000; Pres. Louis J. Wilde; Vice-Pres., Chas. E. Sumner; Cas., W. H. Hubbard.

7419—First National Bank, Blackfoot, Idaho. Capital, $25,000; Pres., Alex. Younie; Vice-Pres., E. M. Kennedy; Cas., C. A. Dobell.

7420—First National Bank, Cornish, Ind. Ter. Capital, $25,000; Pres., J. J. Cloughley; Vice-Pres., J. H. Cornish; Cas., J. A. Cummins.

7421—First National Bank, Randolph, Neb. Capital, $50,000; Pres., James F. Toy; Vice-Pres., Jno. Oliver; Cas., F. E. Sweetser; Asst. Cas., J. N. Kuhl.

7422—First National Bank, Breckenridge, Texas. Capital, $40,000; Pres., W. H. Eddleman; Vice-Pres., Claude McCauley and W. H. Green; Cas., J. W. Ward.

7423—First National Bank, Graceville, Fla. Capital, $25,000; Pres., E. N. Dekle: Vice-Pres., G. H. Malone; Cas., J. A. Davis.

7424—First National Bank, Headland, Ala. Capital, $25,000; Pres., G. H. Malone; Vice-Pres., A. J. Livingston; Cas., J. J. Espy.

7425—First National Bank, Emerson, Neb. Capital, $30,000; Pres., James F. Toy; Vice-Pres., Gus. A. Isenberg; Cas., F. E. Sweetser; Asst. Cas., Roy A. Downs.

7426—Farmers' National Bank, Bridgewater, S. D. Capital, $25,000; Pres., F. A. McCornack; Vice-Pres., Alex. H. Mayer; Cas., J. H. Anderson; Asst. Cas., E. J. Wipf.

7427—National Citizens' Bank, Canby, Minn. Capital, $50,000; Pres., Geo. Fitzsimmons; Vice-Pres., P. C. Scott; Cas., S. J. Forbes; Asst. Cas., P. O. Shennum.

7428—First National Bank, Cambridge, Minn. Capital, $30,000; Pres., Hans Engberg; Vice-Pres., D. O. Anderson; Cas., A. B. Hallin.

7429—First National Bank, Brundidge, Ala. Capital, $30,000; Pres., James. T. Ramage; Vice-Pres., Burr Ramage; Cas., A. G. Seay.

7430—Curwensville National Bank, Curwensville, Penn. Capital, $100,000; Pres., Wm. H. Sandford; Vice-Pres., Fred J. Dyer; Cas., C. S. Russell; Asst. Cas., Anthony Hile.

7431—First National Bank, Commerce, Ga. Capital, $25,000; Pres., W. B. Hardman; Cas., W. L. Williamson.

7432—American National Bank, Stigler, Ind. Ter. Capital, $25,000; Pres., L. C. Parmenter; Cas., J. F. Price.

7433—Del Rio National Bank, Del Rio, Texas. Capital, $50,000; Pres., James McLymont; Vice-Pres., C. W. Odell; Cas., L. J. Dodson; Asst. Cas., W. W. Freeman.

7434—First National Bank, Phillips, Wis. Capital, $25,000; Pres., P. E. Reedal; Vice-Pres., James H. Ball; Cas., G. B. Reedal.

7435—First National Bank, Meeker, Colo. Capital, $40,000; Pres., C. C. Parks; Vice-Pres., R. Oldland; Cas., E. E. Fordham.

7436—National Freehold Banking Co., Freehold, N. J. Capital, $100,000; Pres., Chas. E. Hall; Vice-Pres., Wm. Tuthill; Cas., H. A. Sutphen.

7437—First National Bank, Freeland Park, Ind. Capital, $25,000; Pres., Thomas G. Vennum; Vice-Pres., A. J. Freeland; Cas., G. F. Patterson.

7438—First National Bank, Beardsley, Minn. Capital, $25,000; Pres., Chas. B. Westfall; Vice-Pres., Wm. M. Moroney; Cas., J. Minkiewitz, Jr.

7439—Citizens' National Bank, Grinnell, Ioa. Capital, $50,000; Pres., H. W. Spaulding; Vice-Pres., W. F. Vogt; Cas., H. F. Lanphere.

7440—National Bank of Pawnee, Pawnee, Ill. Capital, $50,000; Pres., Lemuel M. Babb; Vice-Pres., Leonard S. Matthew; Cas., G. W. Lemmon; Asst. Cas., S. R. Lemmon.

7441—National Bank of Gallatin Valley, Bozeman, Mont. Capital, $60,000; Pres., J. E. Martin; Vice-Pres., J. A. Hall; Cas., R. E. Brown.

7442—Merchants and Planters' National Bank, Davis, Ind. Ter. Capital, $35,000; Pres., R. L. Freeman; 1st Vice-Pres., Samuel H. Davis; 2d Vice-Pres., Norman L. Hale; Cas., C. B. McCluskey; Asst. Cas., S. D. McCluskey.

7443—First National Bank, Mound City, Ill. Capital, $25,000; Pres., Thomas Boyd; Vice-Pres., Granville J. Murphy; Cas., John F. Welson.

7444—First National Bank, Tonkawa, Okla. Capital, $25,000; Pres., A. J. Esch; Vice-Pres., C. R. Brooks; Cas., W. A. Brooks.

7445—Colonial National Bank, Connellsville, Penn. Capital, $100,000; Pres., L. F. Ruth; Vice-Pres., R. Marietta and Edw. K. Dick; Cas., H. E. Schenck.

7446—Commercial National Bank, Washington, D. C. Capital, $800,000; Pres., F. C. Stevens; Vice-Pres., R. A. Chester and N. H. Shea; Cas., Geo. W. White; Asst. Cas., R. E. Claughton.

7447—Battery Park National Bank, New York City, N. Y. Capital, $200,000; Pres., E. A. De Lima; Cas., E. B. Day; Asst. Cas., Geo. S. Talbot.

7448—Catawissa National Bank, Catawissa, Penn. Capital, $50,000; Pres., C. J. Fisher.

7449—National Bank of North Bend, North Bend, Neb. Capital, $25,000; Pres., M. Dowling; Vice-Pres., T. B. Purcell; Cas., Thos. H. Fowler; Asst. Cas., H. P. Dowling.

7450—Aetna National Bank, New York City, N. Y. Capital, $200,000; Pres., C. E. Finlay; Vice-Pres., Wm. Hills; Cas., J. Dennison.

NEW BANKS, BANKERS, ETC.

ALABAMA.

BIRMINGHAM—Central Trust Co.; capital, $15,000; Pres., Robert Jemison, Vice-Pres., Turner R. Weakley; Sec. and Treas., Robert Jemison, Jr.

CUBA—Bank of Cuba; capital, $25,000; Pres., W. E. McGowen; Vice-Pres., E. F. Ballard; Cas., R. C. Weems.

ARKANSAS.

PORTIA — Bank of Portia; capital, $8,000; Pres., E. J. Mason; Vice-Pres., Wm. De Armon; Cas., C. H. H. Collins.

PRESCOTT—Bank of Prescott; capital, $25,000; Pres., Thos. C. McRae; Vice-Pres., W. Y. Foster; Cas., Chas. S. McCain.

CALIFORNIA.

FULLERTON—Fullerton State Bank; capital, $25,000; Pres., Wm. McEndree; Vice-Pres., E. R. Amerige; Cas., Geo. A. Percival; Asst. Cas., H. C. McEndree.

OAKLAND—West Oakland Bank and Trust Co.; capital, $50,000; Pres., Chas. M. Willard; Vice-Pres., S. M. Daugherty; Cas., Charles L. Wines; Asst. Cas., E. C. Hahn.

VENTURA — Home Savings Bank; capital, $25,000; Pres., John Carne; Vice-Pres., Felix W. Ewing; Cas., Edgar W. Carne.

COLORADO.

CRIPPLE CREEK—Cripple Creek State Bank; capital, $50,000; Pres., D. H. Moffat; Vice-Pres., Thomas Keely; Cas., A. A. Rollestone.

DENVER—Seemann Investment and Banking Co.; capital, $100,000; Pres., Henry I. Seemann; Vice-Pres., Frederick S. Hadley; Sec., K. R. Seemann.

GEORGIA.

BROWNWOOD—Terrell County Bank; capital, $15,000; Pres., C. J. Dunn; Vice-Pres., A. C. Hill; Cas., J. F. Eden, Jr.

CUMMING—Bank of Cumming; capital, $15,000; Pres., L. Edmondson; Vice-Pres., W. S. Davenport; Cas., S. H. Allen.

DULUTH — Bank of Duluth (Branch of Buford); Cas., D. W. Wilson.

PINEHURST — Bank of Pinehurst; capital, $10,000; Pres. W. N. Edenfield; Vice-Pres., J. R. Horne.

WALNUT GROVE — Brodnax Banking Co.; Cas., J. C. Brodnax.

WHIGHAM — Bank of Whigham; capital, $1,500; Pres., D. O. Pearce; Vice-Pres., D. G. McNair; Cas., J. W. Strange.

IDAHO.

GRANGEVILLE — Grangeville Savings and Trust Co.; capital, $25,000; Pres., James Kilen; Vice-Pres., Jesse K. Turner; Cas., F. L. Leonard.

ILLINOIS.

BASCO—Bank of Basco; capital, $10,000; Cas., L. S. Crossland.

CARLYLE—Farmers and Merchants' Bank; capital, $25,000; Pres., Thomas E. Ford; Vice-Pres., Philip Schaefer; Cas., John B. Wuller.

CHICAGO—Atwater, Barnes & Co.; capital, $200,000; Cas., E. C. Kingsbury; Asst. Cas., S. F. Stevens.

FORREST—Bank of Forrest; Pres., E. W. Settle; Cas., Jos. M. Clark.

LAURA—Bank of Laura; Pres., L. J. Baird; Vice-Pres., David Cation; Asst. Cas., J. A. Elliott.

OAK PARK — Harlem State Savings Bank; capital, $50,000; Pres., Frederick J. Lange; Vice-Pres., Wm. E. Haase; Cas., W. F. Grosser.

SEATONVILLE—Seatonville State Bank; capital, $25,000; Pres., John J. O'Hollaran; Vice-Pres., Wm. Goering; Cas., G. P. Pettee.

INDIANA.

FAIRLAND - Fairland Bank; capital, $10,000; Cas., F. A. Whitted; Asst. Cas., J. M. Whitted.

INDIAN TERRITORY.

CHELSEA—City Bank and Trust Co.; capital, $10,000; Pres., A. S. Young; Sec. and Treas., Clyde P. Young.

CROWDER — Crowder State Bank; capital, $10,000; Pres., W. D. Sadler; Vice-Pres., W. E. Crowder; Cas., J. B. Henderson.

FORT TOWSON—Fort Towson Bank; capital, $25,000; Pres., S. P. Bennett; Vice-Pres., M. E. Chamberlain; Cas., W. E. B. Leonard.

INOLA—Inola State Bank; capital, $10,000; Pres., D. Koenig; Vice-Pres., H. Hayter; Cas., J. Koenig.

MINCO—Citizens' Bank; capital, $8,000; Pres., W. V. Vickrey; Vice-Pres., W. H. Wadsworth; Cas., F. A. Vickrey.

TULSA—Bank of Commerce; capital, $25,000; Pres., T. E. Smiley; Vice-Pres., H. R. Cline; Cas., J. H. McBirney; Asst. Cas., S. P. McBirney.

IOWA.

BENTLEY—Bentley Bank; Resp., $100,000; Pres., J. Kasner; Cas., A. F. Andersen.

KIRKVILLE—Kirkville Savings Bank; capital, $10,000; Pres., W. P. Bonnifield; Vice-Pres., B. F. Thomas; Cas., Wm. Abegg.

LOCKRIDGE—Lockridge Savings Bank; capital, $10,000; Pres., W. C. Rausche; Vice-Pres., O. S. Hitchner; Cas., A. R. Toothaker.

MCCLELLAND—McClelland Savings Bank; capital, $10,000; Pres., Wm. Arnd; Vice-Pres., D. F. Dryden; Cas., R. R. Maxfield.

MUSCATINE — H. W. Huttig Trust and Investment Co.; Pres., H. W. Huttig; Vice-Pres., Wm. Huttig; Sec., K. M. Huttig.

OTTUMWA—Phoenix Trust Co.; capital, $85,000; Pres., C. H. Merrick; Vice-Pres., S. H. Harper; Sec., H. S. Merrick.

PRAIRIESBURG—Prairiesburg Savings Bank; capital, $10,000; Pres., C. L. Niles; Vice-

Pres., H. F. Came; Cas., F. J. Cunningham.

SANDYVILLE—Bank of Sandyville; capital, $17,000; Pres., W. A. Heisey; Cas., Ned E. Spurgin; Asst. Cas., G. F. Bell.

KANSAS.

ANTHONY—Anthony Loan and Security Co.; capital, $10,000; Pres., W. E. Blackburn; Vice-Pres., M. L. Blackburn; Treas. W. E. Blackburn; Sec., C. L. Orr.

CHERRYVALE—Cherryvale State Bank; capital, $15,000; Pres., Robert Lander; Vice-Pres., J. E. George; Cas., G. M. Stanton.

CLIFTON—Citizens' State Bank; capital, $10,000; Pres., J. H. Cusac; Vice-Pres., F. L. Horton; Cas., Harry O'Brien.

HUDSON—Hudson State Bank; capital, $10,000; Cas., U. G. Charles.

HUNNEWELL—Union State Bank; capital, $10,000; Pres., John T. Stewart; Vice-Pres., W. P. Jennings; Cas., W. T. Derington.

SPIVEY—Spivey State Bank; capital, $10,000; Pres., W. P. Bowman; Vice-Pres., Paul S. Woods; Cas., Louis L. Orr.

WAMEGO—Farmers' State Bank; capital, $25,000; Pres., Henry Breymeyer; Vice-Pres., Const Umscheid; Cas., W. C. Bettmann.

ZENDA—Weinschenk State Bank; capital, $10,000; Pres., F. H. Weinschenk; Vice-Pres., J. J. Conley; Cas., F. C. Kurt; Asst. Cas., F. Klein.

KENTUCKY.

CROPPER—Deposit Bank; capital, $12,000; Pres., B. A. Thomas; Cas., J. C. Dunavent.

HARDIN—Hardin Bank; Pres., W. J. Ellis; Vice-Pres., H. V. Kennedy; Cas., J. O. Ritter.

HYDEN—Citizens' Bank; capital, $15,000; Pres., A. B. Eversole; Vice-Pres., William Lewis; Cas., Thomas L. Gabbard.

MICHIGAN.

CASNOVIA—Bank of Casnovia; Pres., D. H. Power; Vice-Pres., Cramer Smith; Cas., Charles E. Toms.

FOWLERVILLE—Commercial Bank; capital, $10,000; Pres., Geo. A. Newman.

MINNESOTA.

HAYWARD—Farmers' State Bank; capital, $10,000; Pres., H. C. Nelson; Vice-Pres., L. O. Brooten; Cas., J. J. Hove.

RICHVILLE—Bank of Richville; capital, $10,000; Pres., P. H. Jones; Vice-Pres., O. A. Zimmer; Cas., C. F. Franz.

TRACY—First Citizens' State Bank (successor to Bank of Tracy); capital, $25,000; Pres., J. N. Wardell; Vice-Pres., Geo. E. Dutton; Cas., H. F. Seiter; Asst. Cas., O. R. Jones.

VINING—Bank of Vining; capital, $10,000; Pres., A. T. Lund; Cas., Chas. A. Lund.

MISSISSIPPI.

INVERNESS—Bank of Inverness; capital, $30,000; Pres., J. B. Baird; Vice-Pres., H. J. Toiar; Cas, F. E. Richards.

MISSOURI.

ANDERSON—State Bank; capital, $10,000; Pres., E. W. McDonald; Vice-Pres., J. A. Roark; Cas., A. Dimond.

BOURBON—Bank of Bourbon; capital, $10,000; Pres., John Rohrer; Vice-Pres., M. J. Watkins; Cas., L. D. Viemann.

GORDONVILLE—Bank of Gordonville; capital, $10,000; Pres., B. W. Hays; Vice-Pres., W. O. Medley; Cas., G. S. Summers.

LINNEUS—Citizens' Bank; capital, $30,000; Pres., E. G. Fetty; Vice-Pres., R. B. Lambert; Cas., M. L. Gibson.

SYRACUSE—Bank of Syracuse; capital, $5,000; Pres., P. J. Siegel; Vice-Pres., B. F. Layne; Cas., A. S. Thomson; Asst. Cas., E. E. Poe.

UNION—Citizens' Bank; capital, $10,000; Pres., A. A. Vitt; Vice-Pres., A. J. Goog; Cas., H. M. Ramsey.

NEBRASKA.

DECATUR—Decatur State Bank; capital, $10,000; Pres., C. H. W. Busse; Vice-Pres., P. B. Gordon; Cas., E. A. Hanson.

FLORENCE—Bank of Florence; capital, $5,000; Pres., J. S. Paul; Vice-Pres., R. H. Olmsted; Cas., Carl Feldhusen.

NORTH BEND—Farmers' State Bank; capital, $25,000; Pres., Alex Thom; Vice-Pres., James Harvie; Cas., T. J. Koster; Asst. Cas., D. W. Killeen.

OXFORD—Bank of Oxford; capital, $5,000; Pres., Mathew Howell; Vice-Pres., E. Howell; Cas., John Howell.

VALPARAISO—Valparaiso State Bank; capital, $15,000; Cas., H. Bleakley.

NEW YORK.

NIAGARA FALLS—Niagara Falls Trust Co. (successor to Electric City Bank); capital, $100,000; Pres., Frank A. Dudley; Vice-Pres., Jerome B. Rice; Sec., Geo. G. Shepard; Asst. Sec., F. W. Woolworth.

PAINTED POST—A. C. Wilcox & Co.; Cas., J. L. Caven.

NORTH CAROLINA.

BRYSON CITY—Bryson City Bank; capital, $5,000; Pres., D. K. Collins; Vice-Pres., G. W. Maslin; Cas., L. Lee Marr.

FOREST CITY—Forest City Bank; capital, $25,000; Pres., G. E. Young; Vice-Pres., T. P. Reynolds; Cas., J. S. Biggerstaff.

MOUNT AIRY—Bank of Mount Airy; capital, $30,000; Pres., J. H. Prather; Vice-Pres., J. A. Hadly; Cas., W. J. Byerly; Asst. Cas., O. W. Koehtizky.

RALEIGH—Wake County Savings Bank; capital, $15,000; Pres., T. B. Crowder; Vice-Pres., W. B. Grimes; Cas., W. W. Voss.

NORTH DAKOTA.

COLGATE—Colgate State Bank; capital, $5,000; Pres., James D. Brown; Vice-Pres., S. J. Danskin; Cas., K. D. Danskin.

KENSAL—Farmers and Merchants' Bank; capital, $10,000; Pres., Frank A. Lenz;

Vice-Pres., Knud Christensen; Cas., H. R. Melrose.

KNOX—Security Bank; capital, $10,000; Pres., C. D. Lord; Vice-Pres., C. A. Jeglum; Cas., P. K. Bidne.

SHERWOOD—First International Bank; capital, $10,000; Pres., S. H. Sleeper; Vice-Pres., M. A. Sleeper; Cas., W. S. Hall.

ZEELAND—First State Bank; capital, $10,000; Pres., C. J. Hezel; Vice-Pres., Jacob Hezel; Cas., Adam J. Hezel.

OHIO.

CAMBRIDGE—Cambridge Savings Bank Co.; capital, $25,000; Pres., B. F. Sheppard; Vice-Pres., H. A. Forsythe; Sec. and Treas., C. C. Cosgrove.

YOUNGSTOWN — Youngstown Savings and Banking Co.; capital, $100,000; Pres., W. T. Gibson; Vice-Pres., W. R. Leonard; Treas. H. W. Grant.

OKLAHOMA.

NARDIN—Bank of Nardin; capital, $10,000; Pres., T. S. Chambers; Vice-Pres., F. M. Wiles; Cas., L. T. Chambers; Asst. Cas., G. H. Rhoades.

OREGON.

DAYTON—Bank of Dayton; capital, $5,000; Pres., J. C. Nichols; Vice-Pres., R. L. Harris; Cas., J. E. Mellinger.

SALEM—Salem State Bank; capital, $50,000; Pres., L. K. Page; Vice-Pres., A. F. Hofer; Cas., E. W. Hazard.

PENNSYLVANIA.

PITTSBURG—Metropolitan Trust Co.; capital, $125,000; Pres., John Runnette; Vice-Pres., C. P. Tiers; Cas., John J. Dauer.

SOUTH DAKOTA.

CAVOUR—First State Bank; capital, $10,000; Pres., Geo. Fullenweider; Vice-Pres., J. F. Costello; Cas., Fred Gellerman.

LAKE ANDES—Valley State Bank; capital, $5,000; Pres., W. B. Gilreath; Vice-Pres., C. Ed. Anderson; Cas., Hoyle Gilreath.

TENNESSEE.

ROCKWOOD—Rockwood Bank and Trust Co.; capital, $25,000; Pres., J. N. Baker; Vice-Pres., J. M. Clark; Cas., J. D. Tanner; Asst. Cas., Hugh Hicks.

SOUTHSIDE—Southside Bank; capital, $4,000; Pres., G. M. Hunter; Vice.Pres., J. B. Trotter; Cas., C. S. Foard.

TEXAS.

BROOKSHIRE—Bank of Brookshire; capital, $10,000; Pres., O. S. Cummings; Cas., E. S. Atkinson.

BYNUM—Bank of Bynum; capital, $20,000; Pres., C. E. White; Cas., L. C. McCommas.

CORPUS CHRISTI—Clark Pease; Cas., A. D. Evans.

JOSEPHINE—Josephine Banking Co.; capital, $10,000; Pres., A. H. Neathery; Vice-Pres., W. S. Aston; Cas., L. Coffman.

JOSHUA—Citizens' Banking Co.; Pres., W. H. Grove; Vice-Pres., J. W. Spencer and M. P. Bewley; Cas., Mark Wheeler.

PADUCAH—Paducah Bank (Winton, House & Co.); Cas., C. E. House.

VERMONT.

SWANTON—Swanton Savings Bank and Trust Co.; capital, $50,000; Pres., C. E. Allen; Vice Pres. and Treas., M. W. Barney.

VIRGINIA.

NORFOLK—Bank of Norfolk; capital, $100,000; Pres., W. T. Campbell; Vice-Pres., Aaron Milhado; Cas., A. D. Robinson.

WASHINGTON.

HARRINGTON—Harrington State Bank; capital, $17,000; Pres., Harry Ochs; Vice-Pres., A. P. Hill; Cas., Geo. F. Christensen.

OAKESDALE—Bank of Oakesdale; capital, $20,000; Pres., W. A. Rolfe; Cas., N. A. Rolfe.

REPUBLIC—Bank of Republic; Pres., C. A. Wallace; Cas., G. H. Norton.

HOQUIAM—Lumbermen's Bank; capital, $100,000; Pres., R. F. Lytle; Vice-Pres., R. L. McCormick; Mgr., F. L. Carr.

ROSALIA—Whitman County State Bank; capital, $25,000; Pres., W. E. Dwyer; Vice-Pres., A. J. Stone; Cas., F. J. Wilmer; Asst. Cas., W. O. Palmer.

WATERVILLE—Waterville Savings Bank; Pres., C. T. Hansen; Vice-Pres., F. E. Weston; Cas., Geo. P. Wiley.

WEST VIRGINIA.

FAYETTEVILLE—Bank of Fayette; capital, $10,000; Pres., L. W. Nuttall; Vice-Pres., W. M. Malcolm; Cas., J. T. Grose.

WISCONSIN.

GAYS MILLS—Bank of Gays Mills; capital, $5,000; Pres., H. W. Stuckey; Vice-Pres., F. J. Lewis; Cas., O. A. Sherwood.

SCHLESINGERVILLE—First State Bank; capital, $15,000; Pres., John F. Kramer; Vice-Pres., A. T. Reininger; Cas., S. A. Madigan.

CANADA.

ONTARIO.

CAMPBELLFORD — Bank of British North America.

ELORA—Traders' Bank of Canada; R. H. Harvey, Mgr.

GLENCOE—Merchants' Bank of Canada; A. W. Deacon, Mgr.

LINWOOD—Sovereign Bank of Canada; R. J. Ranney, Mgr.

ST. JACOBS—Sovereign Bank of Canada; L. P. Snyder, Mgr., pro tem.

WOODSTOCK—Crown Bank of Canada; S. B. Fuller, Mgr.

NORTHWEST TERRITORY.

NANTON—Canadian Bank of Commerce.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

TALLADEGA—Isbell National Bank; F. P. McConnell, Cas., deceased.

ARKANSAS.

BATESVILLE—People's Savings Bank: Simon Adler, Pres., deceased.

EL DORADO—Citizens' National Bank: C. H. Murphy, Pres. in place of J. F. Sample; W. J. Pinson, 2d Vice-Pres.

GREEN FOREST—Bank of Green Forest; W. R. Sneed, Pres., deceased.

LITTLE ROCK—State National Bank; L. W. Cherry, Pres. in place of Ed. Cornish; no Vice-Pres. in place of J. E. England, Jr.

CONNECTICUT.

HARTFORD—City Bank; Maro S. Chapman, Pres. in place of Chas. T. Welles.——Phoenix National Bank; F. L. Bunce, Pres. in place of H. A. Redfield; L. P. Broadhurst, Cas. in place of F. L. Bunce; no Asst. Cas. in place of L. P. Broadhurst.

DISTRICT OF COLUMBIA.

WASHINGTON—National Metropolitan Bank; title changed to National Metropolitan Citizens' Bank.

FLORIDA.

LAKE CITY—State Exchange Bank; Robert W. Adams, Pres., deceased.

GEORGIA.

COLUMBUS—Merchants and Mechanics' Bank: R. M. Norman, Cas. in place of J. K. Hind, resigned.

WAYCROSS—First National Bank; A. Sessoms, Vice-Pres. in place of W. W. Beach.

ILLINOIS.

CAPRON—Capron Bank; B. Cornwell, Pres., deceased.

DE KALB—First National Bank; F. O. Crego, Cas. in place of T. A. Luney; G. C. Terwilliger, Asst. Cas. in place of F. O. Crego.

MATTOON—Mattoon National Bank; H. P. McNair, Cas. in place of E. T. Guthrie.

VANDALIA—First National Bank: R. H. Sturgess, Cas. in place of J. A. Gordon; J. H. Irish, Asst. Cas. in place of R. H. Sturgess.

RIDGE FARM—First National Bank; P. H. Smith, Cas. in place of F. E. Saunders.

INDIANA.

ATTICA — Farmers and Merchants' State Bank; capital and surplus increased to $90,000.

ELKHART—St. Joseph Valley Bank and Farmers and Merchants' Bank; consolidated under latter title.

INDIANAPOLIS—Capital National Bank; Andrew Smith, Vice-Pres.——American National Bank; Andrew Smith, Asst. Cas., resigned.——Columbia National Bank; W. D. Dickey, Asst. Cas.

OWENSVILLE—First National Bank; Chas. N. Emerson, Asst. Cas. in place of A. V. Mauck.

IOWA.

BLOOMFIELD—Taylor-McGowan Bank: John H. Taylor, Pres. in place of Jas. McGowan; S. S. Stanley, Vice-Pres.

CHARLES CITY—First National Bank; A. G. Case, Pres., deceased.

DES MOINES—Capital City State Bank; Jas. Callanan, Pres., deceased; also Vice-Pres. Citizens' National Bank.

JACKSON—Jackson Savings Bank; capital increased to $30,000.

WALCOTT—Farmers' Bank; William Schwarting, Vice-Pres., deceased.

KANSAS.

ATCHISON — First National Bank; David Auld, Pres., deceased.

BURLINGAME—Slaughter & Taylor State Bank: L. P. Robinson, Cas. in place of Chas. G. Taylor.

JEWEL CITY — First National Bank; J. D. Robertson, Pres. in place of T. Bartholow.

LONGFORD—Citizens' State Bank; Isabella Marty, Cas. in place of J. J. Marty, deceased; Oliver Marty, Asst. Cas.

KENTUCKY.

FRANKLIN—Farmers and Merchants' National Bank: J. O. Leake, Asst. Cas.

MAINE.

RUMFORD—Rumford National Bank; John A. Decker, Pres. in place of A. E. Stearns; Charles M. Bisbee, Vice-Pres. in place of John A. Decker.

MARYLAND.

ANNAPOLIS—Farmers' National Bank; L. D. Gassaway, Asst. Cas.

MASSACHUSETTS.

SOUTHBRIDGE—Southbridge National Bank; Calvin D. Paige, Pres., resigned.

MICHIGAN

LAKE LINDEN—First National Bank; Chas. McIntyre, Cas. in place of John E. Jones; J. B. Paton, Asst. Cas. in place of Charles McIntyre.

MENOMINEE - First National Bank; capital increased to $200,000.

MINNESOTA.

CASS LAKE—First National Bank; J. Neils, Pres. in place of Geo. D. La Bar; Samuel Sutor, Vice-Pres. in place of J. Neils; H. N. Harding, Cas. in place of F. P. Leisen.

HILLS—First National Bank; S. A. Christianson, Cas. in place of A. C. Croft.

MINNEAPOLIS—Security Bank; Thomas F. Hurley, Cas., deceased.

MOORHEAD—Moorhead National Bank; S. A. Holmes, Cas. in place of F. W. Porritt.

SAUK CENTER—Merchants' National Bank; no Vice-Pres. in place of M. Hogan, deceased.

ST. PAUL—Second National Bank; capital increased to $400,000.

MISSISSIPPI.

MERIDIAN — Southern Bank; capital increased to $75,000.

MISSOURI.

GUILFORD—Bank of Guilford; capital increased to $15,000.

HAMILTON—First National Bank; True D. Parr, Cas. in place of C. A. Martin.

KIRKSVILLE—Baird National Bank; M. D. Campbell, Pres. in place S. M. Link, deceased.

OZARK — Christian County Bank; A. T. Yoachum, Pres., deceased.

SOUTHWEST CITY—Cornerstone Bank; capital increased to $30,000.

NEBRASKA.

HUMPHREY—First National Bank; F. L. Gallagher, Pres. in place of A. J. Langer.

LOOMIS—First National Bank; T. L. Doherty, Vice-Pres. in place of L. K. Doherty.

NEW JERSEY.

CLINTON—First National Bank; William C. Gebhardt, Pres. in place of N. W. Voorhees.

FRENCHTOWN—Union National Bank; A. B. Haring, Pres. in place of Wm. H. Martin, deceased; E. W. Bloom, Cas. in place of A. B. Haring; no Asst. Cas. in place of E. W. Bloom.

NEW YORK.

BATAVIA—First National Bank; Jerome L. Bigelow, Cas., deceased.

DRYDEN—First National Bank; Geo. Cole, Pres. in place of Martin E. Tripp, deceased; Webb Corbin, Vice-Pres.

NEW YORK—Lincoln Trust Co.; E. C. Wilson, Asst. Treas.——New York Clearing-House; Dumont Clarke, Pres. in place of James Stillman.

OSWEGO—Second National Bank; R. A. Downey, Pres. in place of Geo. B. Sloan.

SANDY HILL—Sandy Hill National Bank; Leonard W. Cronkhite, Pres., deceased.

SKANEATELES—National Bank of Skaneateles; Philip Allen, Vice-Pres. in place of Joseph C. Willets, deceased.

WHITE PLAINS—Central Bank of Westchester Co.; Chas. Horton, Vice-Pres., deceased.

NORTH CAROLINA.

CHARLOTTE—Commercial National Bank; W. E. Holt, Pres. in place of J. S. Spencer, deceased; R. A. Dunn, Vice-Pres. in place of W. E. Holt.——Merchants and Farmers' National Bank; Geo. E. Wilson, Pres. in place of J. H. McAden; Jno. B. Ross, Vice-Pres. in place of Geo. E. Wilson.

SALISBURY — First National Bank; W. C. Coughenour, Pres. in place of Kerr Craige; deceased; T. C. Linn, Vice-Pres. in place of W. C. Coughenour.

NORTH DAKOTA.

FARGO—Commercial Bank; Geo. H. Phelps, Cas. in place of H. C. Plimpton.

HOPE—First National Bank; S. J. Danskin, Cas. in place of J. D. Brown; no Asst. Cas. in place of S. J. Danskin.

OHIO.

AKRON—Central Savings Bank and Akron Trust Co.; consolidated under title of Central Savings and Trust Co.

AMESVILLE — First National Bank; L. B. Glazier, Vice-Pres. in place of O. M. Lovell.

ELMWOOD PLACE — First National Bank; Alfred Hess, Pres.; Walter Laidlaw, Vice-Pres.

MOSCOW—Deposit Bank; Joseph R. Wiley, deceased.

SANDUSKY—Third National Exchange Bank; Lawrence Cable, Pres.. deceased.

OKLAHOMA.

OLUSTEE—Olustee State Bank; capital increased to $15,000.

OREGON.

SUMPTER — First National Bank; J. W. Scriber, Pres., resigned.

PENNSYLVANIA.

ADDISON—First National Bank; H. L. Dean, Vice-Pres. in place of A. S. Jefferys, deceased.

BETHLEHEM—First National Bank; Abraham S. Schropp, Pres. in place of J. M. Leibert; J. S. Krause, Vice-Pres. in place of Abraham S. Schropp.

BRADDOCK—State Bank; C. A. Stokes, Pres. in place of Robert M. Holland, deceased; H. C. Shallenberger, Vice-Pres.; Harry Shallenberger, Cas.

CARNEGIE—Carnegie National Bank; Geo. Faunce, Vice-Pres. in place of Edwin M. S. Young.

EASTON—Northampton National Bank; E. J. Richards, Pres. in place of Thomas Rinke, deceased; A. W. Herman, Cas. in place of E. J. Richards; John H. Neumeyer, Asst. Cas. in place of A. W. Herman.

HUNTINGDON—First National Bank; Wm. M. Phillips, Pres. in place of William Dorris; no Vice-Pres. in place of Wm. M. Phillips.

JERSEY SHORE—Jersey Shore Banking Co.; Samuel Humes, Vice-Pres., deceased.

LANCASTER—City Saving Fund and Trust Co.; David D. Locher, Pres. in place of Charles E. Locher, deceased.

MESHOPPEN—First National Bank; John B. Jennings, Vice-Pres. in place of Geo. L. Kennard.

PEN ARGYL—First National Bank; Thomas Hewett, Cas. in place of A. C. Young.

PHILADELPHIA — National Security Bank; Philip Doerr, Pres. in place of Jacob Rech; Geo. Kessler, Vice-Pres. in place of Philip Doerr.——Union National Bank; A. E. Fletcher, Cas.

PITTSBURG—Second National Bank; Thomas

W. Welsh, Jr., 2d Vice-Pres.; James M. Young, Cas.: Brown A. Patterson, Asst. Cas. —National Bank of Western Pennsylvania; Samuel R. Shumaker, Vice-Pres., deceased.

PLYMOUTH—First National Bank: Edwin Davenport, Pres. in place of John B. Smith, deceased.

READING—Keystone National Ban..; Ferdinand Goetz, Pres. deceased.

WEST NEWTON—First National Bank; L. C. Rodibaugh, Asst. Cas.

RHODE ISLAND.

NEWPORT — Aquidneck National Bank; Thomas B. Congdon, Cas. in place of Charles T. Hopkins.

SOUTH DAKOTA.

EGAN—First National Bank; Geo. Rice, Pres. in place of W. H. Pratt, Jr.

TENNESSEE.

MURFREESBORO—First National Bank; W. B. Earthman, Pres. in place of H. H. Williams; H. H. Williams, Cas. in place of H. L. Fox.

NASHVILLE—City Savings Bank; L. H. Fox, Cas. in place of A. W. Watkins.

TULLAHOMA—First National Bank: Allen Parker, Cas., reported an embezzler.

WAVERLY—Citizens' Bank; capital increased to $50,000.

TEXAS.

ANDERSON - First National Bank; A. P. Ford, Cas. in place of Claude B. Granbury; G. B. Kennard, Asst. Cas.

FORT WORTH—Farmers and Mechanics' National Bank; H. W. Williams, Vice-Pres. in place of D. W. Humphreys; M. P. Bewley, 2d Vice-Pres.

JACKSONVILLE—First National Bank; A. G. Adams, 2d Vice-Pres.: A. F. Kerr, Cas. in place of A. G. Adams.

LAMPASAS — First National Bank; W. F. Barnes, Pres. in place of J. F. Skinner; W. P. Darby, Vice-Pres. in place of J. F. White; H. N. Key, Cas. in place of Jno. M. Gage; W. B. McGee, Asst. Cas.

LIVINGSTON—Citizens' National Bank; J. L. Muller, Cas. in place of S. M. Peters.

LUBBOCK—First National Bank; L. T. Lester, Pres. in place of Geo. C. Wolffarth; W. S. Posey, Cas. in place of I. L. Hunt.

MERKEL—First National Bank, R. G. Anderson, Vice-Pres.; T. A. Johnson, Cas. in place of Geo. S. Berry; no Asst. Cas. in place of T. A. Johnson.

PALESTINE—First National Bank; G. E. Dilley, Vice-Pres. in place of A. F. Starr.

QUANAH—Quanah National Bank; J. E. Ledbetter, Pres. in place of A. J. Fires; J. M. Strong, Vice-Pres. in place of Jno. R. Good; W. A. Mundy, Cas. in place of J. E. Ledbetter.

WASHINGTON.

TACOMA—Puget Sound Savings Bank; Jesse B. Sutton, Pres., deceased.

WEST VIRGINIA.

GLENVILLE—First National Bank; S. A. Hays, Pres. in place of S. H. Whiting, deceased.

WISCONSIN.

BELOIT—Beloit State Bank; John Paley, Pres., deceased.

BLACK RIVER FALLS—First National Bank; Frank Johnson, Vice-Pres. in place of H. A. Bright.

PLYMOUTH—Plymouth Exchange Bank; R. R. Wilson, Pres. in place of W. C. Saemann; no Vice-Pres. in place of F. W. Behnke.

WEST SALEM—La Crosse County Bank; W. I. Dudley, Pres.; L. C. Sander, Vice-Pres.; G. W. Dudley, Cas.; C. P. Knudson, Asst. Cas.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

COACHELLA—Coachella Valley Bank.

IOWA.

DIXON—Bank of Dixon.

MESERVEY—Bank of Merservey.

NEW LIBERTY—New Liberty Savings Bank.

KENTUCKY.

EDDYVILLE—Farmers' Bank; in hands of M. P. Molloy, Receiver.

OHIO.

RUSHSYLVANIA—Rushsylvania Bank.

OKLAHOMA.

APPALACHIA—Bank of Appalachia.

PENNSYLVANIA.

CLAYSVILLE—First National Bank; in hands of Receiver October 11.

WEHRUM—First National Bank; in voluntary liquidation October 18.

TEXAS.

BATSON—Citizens' Bank.

LAMPASAS—City National Bank; in voluntary liquidation September 27; absorbed by First National Bank.

VERMONT.

LYNDON—National Bank of Lyndon; in voluntary liquidation September 27.

WISCONSIN.

PLAINFIELD—Bank of Plainfield.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, November 3, 1904.

AN ACTIVE AND STRONG STOCK MARKET during the month just closed gave evidence of a further growth in confidence. The fact that there was a Presidential campaign in full swing seemed to have been eliminated from Wall Street calculations. The stock market seemed to take no thought of any election, but went ahead gaining in strength and activity.

It was really a phenomenal stock market that was witnessed last month. The aggregate sales of stocks in October reached nearly 32,500,000 shares, or considerably more than a daily average of 1,000,000 shares for each business day. The sales in September were less than 19,000,000 shares, while last June and July they were only about 5,000,000 shares a month. In October last year the sales were less than 13,000,000 shares, and the largest total for October until this year was 16,000,000 shares, recorded in 1902. The sales of bonds reached $150,000,000, or nearly double the total for October last year.

On Tuesday, October 25, more than 2,000,000 shares were traded in, which was the largest day's sales since May 11, 1901. Except in April and May, 1901, there never were sales aggregating 2,000,000 shares on a single day until last month. In two hours on Saturday, October 22, the sales amounted to 978,000 shares, and on the Saturday preceding to 902,950 shares. These records were beaten only twice—once in 1901 and once in 1900.

The prices of securities generally advanced, and were strong until the close of the month. The great majority of stocks sold in October at the highest figures for the year, and many of the best class of bonds have materially advanced.

Whatever professional manipulation may have been employed to influence prices, it is undeniable that the future is regarded with a very hopeful sentiment. The corn crop, which early in the month was estimated by experts at 2,463,000,000 bushels, gave stimulus to the stock market. This would mean the largest crop ever harvested excepting that of 1902, and only 60,000,000 bushels or about two per cent. less than that. Excepting wheat, which is estimated at 551,000,000 bushels, all the other cereals promise a larger yield than that of last year.

Cotton also has stimulated an optimistic feeling. Last year's crop was somewhat in excess of 10,000,000 bales, and while this year's yield is still an unknown quantity, the movement of the crop suggests a substantial increase over last year's. The Census Office reports 5,776,565 bales of cotton ginned up to October 18 last, as against 3,455,082 bales reported to the same date in 1903. It is not surprising, therefore, that the cotton crop of this year is being estimated at from 11,000,000 to considerably more than 12,000,000 bales.

The export movement of cotton has assumed tremendous proportions. On the last day of October alone, about $10,000,000 of cotton was shipped from Southern ports. In September the exports of cotton from the United States were valued at nearly $44,000,000, more than double those of a year ago, and larger than for September in any previous year. September is the first month of the cotton year and the large movement in that month this year deserves particular attention.

The following table shows the exports of raw cotton in September of each of the last ten years:

SEPTEMBER,	Pounds.	Value.	Price per pound, cents.
1895	64,699,296	$4,925,015	7.6
1896	214,854,826	16,849,258	7.8
1897	219,548,930	14,649,107	6.7
1898	168,083,316	8,928,840	5.3
1899	270,804,478	17,088,344	6.3
1900	195,498,292	20,198,775	10.3
1901	200,610,721	16,498,966	8.2
1902	347,596,100	29,930,815	8.6
1903	195,505,694	21,179,900	10.8
1904	410,940,894	43,742,325	10.6

The cotton movement has caused a large increase in the total export movement, the aggregate exports increasing from $92,000,000 in August to $134,000,000 in September. The net exports of merchandise in September were $50,000,000. This balance is of particular significance in view of the gold export movement last month.

At a time when gold imports might be expected any moment, the Bank of Germany increased its rate of discount from four to five per cent., and the Bank of England advanced the price of gold bars. With our two per cent. rate for money, any advance in money rates abroad made New York a likely market from which to withdraw gold. Paris wanted gold, and about $4,000,000 was shipped late in the month and as much more engaged for shipment early in November. No one anticipates a general export movement of gold and such gold as has been shipped may be considered as borrowed rather than taken from us for a valuable consideration in the form of debt-extinguishing.

The general conditions of business are favorable, although there is none of the rampant activity that two years ago was putting prosperity in jeopardy, and there is still room for improvement in many directions.

The statistics of the railroads for the calendar year 1903 now published in the introduction of Poor's Manual for 1904 show that the railroads of the country have been prospering. The gross earnings were $1,908,857,826, against $1,720,814,900 in 1902; net earnings $592,508,512, against $560,026,277; total available revenue, $681,993,996, against $635,269,592; interest on bonds, $278,101,828, against $268,287,451, and dividends, $190,674,415, against $178,200,752. The gross earnings per mile increased from $8,696 to $9,301 and net earnings per mile from $2,830 to $2,887. The expenses to earnings increased from 67.45 per cent. to 68.96 per cent. On 205,287 miles the railroads earned a surplus over everything of $121,880,088 last year.

The continued increase in National bank circulation is an interesting feature of the situation. The Government has stopped issuing bonds, yet the National banks month after month are increasing their deposits of Government bonds to secure circulation. At the close of October there were nearly $457,300,000 of National bank notes outstanding, an increase of $1,200,000 for the month and of more than $67,000,000 in the last twelve months. For two years past the previous high records of bank-note circulation have been exceeded. In the last seven years the total has been nearly doubled.

At no previous time has so large a proportion of the bonded debt of the Government been used as the basis of bank circulation as now. Until within the last three years the maximum of bank circulation was reached on October 1, 1882, when the total reported outstanding was $362,889,134. By July 1, 1891, it had fallen to $167,927,574—the lowest point recorded except in the earliest days of the National banking system. In the following table is shown the circulation of the National banks

on the dates mentioned and at the present time, also the bonded debt of the Government:

	Oct. 1, 1882.	July 1, 1891.	Nov. 1, 1904.
Circulation on bonds	$323,487,353	$127,221,391	$424,530,581
Circulation on lawful money	39,401,781	40,706,183	32,750,919
Total circulation	$362,889,134	$167,927,574	$457,281,500
Bonds to secure circulation:			
Six per cent	$3,526,000	....	....
Four and one-half per cent	33,754,650	$22,565,950	....
Four per cent	104,927,500	111,985,950	$7,649,100
Three per cent	220,297,500	....	1,922,940
Two per cent	....	....	416,972,750
Total	$362,505,650	$142,508,900	$426,544,790
Government bonded debt:			
Six per cent	$64,623,512	$64,623,512	....
Four and one-half per cent	250,000,000	50,869,200	....
Four per cent	739,352,050	559,659,920	275,112,460
Three and one-half per cent	180,756,100	....	....
Three per cent	251,233,200	....	77,135,360
Two per cent	....	....	542,909,950
Total	$1,485,964,862	$675,152,632	$895,157,770

When the maximum of circulation was reached in 1882, the bonds deposited to secure circulation amounted to $862,505,650, or less than twenty-five per cent. of the total bonded debt of the Government. On July 1, 1891, the bonds used to secure circulation were $142,508,900, or only about twenty-one per cent. of the total debt. On November 1, 1904, the National banks had $426,544,790 bonds on deposit to secure circulation, or nearly forty-eight per cent. of the total issues of the Government. They also held $105,000,000 to secure public deposits. About sixty per cent. of the bonds of the Government are now in the control of the National banks.

The report of the Comptroller of the Currency on the condition of the National banks on September 6 last shows that the resources increased $319,000,000 since the last previous report of June 9, 1904, and $664,000,000 since September 9, 1903. The number of banks increased eighty-one since June and 370 in the twelve months. They now number 5,412. The capital increased nearly $3,400,000 since June and $17,000,000 in the year. Individual deposits increased $145,000,000 and $301,000,000 in the respective periods, while public deposits decreased $9,000,000 and $48,000,000. The vastness of the system is indicated in the volume of deposits of the National banks. These are classified as follows: individual deposits, $3,458,000,000; due to National banks, $765,000,000; due trust companies and Savings banks, $445,000,000; due State banks and bankers, $320,000,000; United States deposits and deposits of United States disbursing officers, $111,000,000; due reserve agents, $31,000,000, making a total of $5,130,000,000. The deposits are nearly seven times the capital, and four times the total capital, surplus and profits. They average nearly $950,000 for each National bank in existence.

The publication of the earnings of the United States Steel Corporation for the quarter ended September 30 was awaited with much interest, and when the figures were given out were scrutinized closely. This great corporation by reason of the magnitude of its operations must stand as the representative of the iron and steel industry. In the earnings and profits of the United States Steel Corporation will be found the reflex of the general conditions existing in that industry.

That the iron trade has not yet recovered from the great decline which began a year ago the report of the corporation for the September quarter shows. The net earnings were $18,773,932, comparing with $32,422,955 in the same quarter in 1903,

with $36,945,489 in 1902, and with $28,663,843 in 1902 when the United States Steel Corporation had not obtained control of all the plants it now holds. The balance applicable to dividends was $7,617,907, as compared with $20,892,635 in 1903, $28,407,840 in 1902 and $21,333,988 in 1901. It is only three years and a half since this corporation began its operations, and the quarterly returns of its earnings make a most interesting study. We present the figures compiled from the statements issued by the corporation :

QUARTER ENDED	*Net earnings.*	*Deductions for interest, sinking funds, and depreciation.*	*Balance applicable to dividends.*	*Dividends paid on stock.*	*Surplus.*
June 30, 1901	$26,363,840	$7,329,850	$19,033,990	$13,957,028	$5,076,962
September 30, 1901	28,663,843	7,329,855	21,333,988	14,011,396	7,322,592
December 31, 1901	29,759,913	8,699,289	21,060,624	14,012,282	7,048,342
March 31, 1902	26,715,457	7,240,701	19,474,756	14,013,434	5,461,322
June 30, 1902	37,662,058	8,675,755	28,986,303	14,015,241	14,971,062
September 30, 1902	36,945,489	8,537,649	28,407,840	14,012,955	14,394,885
December 31, 1902	31,985,759	18,314,078	13,671,681	14,012,946	*341,265
March 31, 1903	25,068,707	7,676,717	17,391,989	14,012,944	3,379,045
June 30, 1903	36,642,308	8,840,352	27,801,956	14,012,945	13,789,011
September 30, 1903	32,422,955	11,530,320	20,892,635	8,603,586	12,289,049
December 31, 1903	15,037,182	25,869,013	*10,831,831	6,482,260	*17,314,091
March 31, 1904	13,445,232	8,761,087	4,447,799	6,304,919	*1,857,120
June 30, 1904	19,490,725	10,408,162	9,082,563	6,304,919	2,777,644
September 30, 1904	18,773,932	11,156,025	7,617,907	6,304,919	1,312,988

* Deficit.

The difference in the earnings and profits in the last year compared with those of the year and two years preceding is so marked that it must be evident that the iron and steel trade has gone through a very serious stage of depression. There are many indications of improvement, however, and a more hopeful feeling prevails than was observable a few months ago. The United States Steel Corporation reports that since October 1 there has been a substantial increase in orders. Those unfilled on October 1 amounted to 3,027,436 tons, as compared with 3,728,742 tons a year ago.

THE MONEY MARKET.—The local money market has continued easy throughout the month and call money generally rules around 2 per cent. Time money rules at about 3½ per cent. but for loans extending into the new year the rate is higher. At the close of the month call money ruled at 2 @ 2½ per cent., averaging about 2¼ per cent. Banks and trust companies loaned at 2 @ 2½ per cent. Time money on Stock Exchange collateral is quoted at 3 per cent. for 60 days, 3¼ @ 3½ per cent. for 90 days, to 4 months and 3¾ @ 4 per cent. for 5 to 6 months, on good mixed

MONEY RATES IN NEW YORK CITY.

	June 1.	*July 1.*	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1¼–1½	1⅛–1¼	¾–1	⅞–1	1¾–2½	2 –2½
Call loans, banks and trust companies	1½–	1¼–	1 –	1 –	1¾–2½	2 –2½
Brokers' loans on collateral, 30 to 60 days	2¼–	2 –	2 –	2 –	3 –	3 –
Brokers' loans on collateral, 90 days to 4 months	2¾–3	2¼– ¾	2½–3	2½–3	3¼– ½	3¼– ½
Brokers' loans on collateral, 5 to 7 months	3½–4	3 – ½	3 – ¾	3½–	3½– ¾	3¾–4
Commercial paper, endorsed bills receivable, 60 to 90 days	3¾–4¼	3½–	3½– ¾	3½– ¾	4½–	4 –4½
Commercial paper prime single names, 4 to 6 months	4 –4½	3¾–4	3¾–4¼	3¾–4	4½–5	4 –4½
Commercial paper, good single names, 4 to 6 months	4½–5	4½–5	4½–5	4½–5	5½–6	5½–6

collateral. For commercial paper the rates are 4 @ 4½ per cent. for 60 to 90 days' endorsed bills receivable, 4 @ 4½ per cent. for first-class 4 to 6 months' single names, and 5½ @ 6 per cent. for good paper having the same length of time to run.

NEW YORK CITY BANKS.—Deposits fell off nearly $20,000,000 in the first half of the month but increased $11,000,000 in the last two weeks. They are now about $20,000,000 below the highest record made last September. Loans reached their maximum on October 8, falling about $12,000,000 in the following week, but increasing $8,000,000 in the last two weeks. Deposits are $319,000,000 more than they were a year ago and loans $231,000,000 more. At this time last year loans exceeded deposits by $26,000,000 while now deposits are $62,000,000 more than loans. Reserves were reduced $5,000,000 last month and surplus reserves $3,000,000. The total cash reserves are $86,000,000 larger than at the close of October last year while the surplus reserve is $6,000,000 larger.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Oct. 1...	$1,143,083,900	$244,867,100	$78,745,600	$1,212,977,100	$19,913,425	$40,576,000	$1,353,708,100
" 8...	1,145,989,200	237,503,500	76,452,400	1,205,276,000	12,686,900	41,791,000	1,713,612,809
" 15...	1,134,013,400	237,745,000	76,522,800	1,193,237,700	15,957,875	42,288,000	1,515,867,609
" 22...	1,137,930,400	240,000,000	77,587,600	1,199,796,700	17,853,925	42,990,800	1,883,097,100
" 29...	1,142,286,600	238,360,200	79,542,000	1,204,434,200	16,793,650	43,248,900	1,981,550,008

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH

MONTH.	*1902.*		*1903.*		*1904.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$910,860,800	$7,515,575	$873,115,000	$10,198,850	$866,178,900	$9,541,850
February......	975,997,000	26,623,350	931,778,900	27,880,775	1,028,948,800	25,139,050
March.........	1,017,488,800	9,975,925	956,206,400	5,951,900	1,027,920,400	32,150,209
April..........	965,858,800	6,965,575	894,260,000	6,281,900	1,069,369,400	27,755,050
May...........	968,189,600	7,484,000	905,760,200	11,181,850	1,114,867,800	38,144,250
June..........	948,826,400	11,989,000	913,081,800	9,645,150	1,098,953,500	29,692,825
July	955,829,400	12,978,850	908,719,800	12,923,850	1,152,988,800	36,105,800
August........	957,145,500	18,738,125	908,864,300	24,060,075	1,204,965,600	55,969,600
September....	985,998,500	9,742,775	920,128,900	20,677,925	1,207,302,800	57,875,400
October.......	876,519,100	8,236,625	897,214,400	18,987,500	1,212,977,100	19,913,425
November....	898,791,200	21,389,100	885,616,600	10,274,150	1,204,434,200	16,793,650
December.....	883,886,800	15,786,300	841,552,000	6,125,200	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,145,-989,200 on October 8, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Oct. 1.......	$175,998,000	$218,019,000	$15,823,000	$5,590,000	$7,386,000	$118,873,200
" 8.......	176,842,000	221,329,000	16,208,000	5,222,000	7,428,000	135,333,300
" 15.......	178,363,000	225,251,000	17,889,000	5,335,000	7,411,000	139,088,400
" 22.......	180,789,000	225,789,000	18,383,000	5,694,000	7,418,000	145,139,200
" 29.......	183,907,000	224,262,000	17,889,000	5,921,000	7,390,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Oct. 1....................	$205,510,000	$257,024,000	$73,745,000	$11,311,000	$106,708,600
" 8....................	207,039,000	257,884,000	72,231,000	11,447,000	128,965,000
" 15....................	207,910,000	258,739,090	71,583,000	11,611,000	119,002,400
" 22....................	210,247,000	259,881,000	69,782,000	11,696,000	137,187,000
" 29....................	211,769,000	260,419,000	70,261,000	11,688,000	120,961,890

Non-Member Banks—New York Clearing-House.

Dates.	*Loans and Investments.*	*Deposits.*	*Specie.*	*Legal tender and bank notes.*	*Deposit with Clearing-House agents.*	*Deposit in other N. Y. banks.*	*Surplus Reserve.*
Oct. 1....	$96,919,000	$111,221,000	$4,806,000	$5,749,200	$14,194,000	$7,660,100	$4,104,050
" 8....	98,418,300	115,846,000	4,291,800	5,961,200	15,529,400	8,300,000	5,120,400
" 15....	98,761,500	115,208,700	4,525,000	6,106,900	14,164,400	7,942,600	3,937,976
" 22....	99,765,200	115,707,300	4,551,200	5,984,000	14,647,500	7,954,500	4,210,875
" 29....	100,168,400	114,237,000	4,581,400	5,891,200	13,106,000	8,015,000	3,085,150

Foreign Exchange.—A month ago gold imports seemed imminent and at the end of the month gold was actually being exported. The advance in sterling was not as extensive as would be suggested by the remarkable change in the movement of gold, but the advance made in the price of gold bars by the Bank of England explains the apparent inconsistency. Gold seems to be wanted more abroad than here.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		*Cable transfers.*	*Prime commercial, Long.*	*Documentary Sterling, 60 days.*
	60 days.	*Sight.*			
Oct. 1...........	4.8340 @ 4.8350	4.8550 @ 4.8555	4.8595 @ 4.8605	4.83⅛ @ 4.83¼	4.82⅝ @ 4.83¼
" 8...........	4.8335 @ 4.8345	4.8540 @ 4.8545	4.8570 @ 4.8575	4.83⅛ @ 4.83¼	4.82¼ @ 4.83¼
" 15...........	4.8330 @ 4.8340	4.8550 @ 4.8555	4.8590 @ 4.8600	4.83⅛ @ 4.83¼	4.82¼ @ 4.83⅜
" 22...........	4.8375 @ 4.8385	4.8600 @ 4.8605	4.8630 @ 4.8660	4.83¼ @ 4.83⅜	4.82¾ @ 4.83¾
" 29...........	4.8405 @ 4.8415	4.8680 @ 4.8685	4.8710 @ 4.8715	4.83¾ @ 4.83⅞	4.83⅛ @ 4.84⅛

Foreign Exchange—Actual Rates on or about the First of each Month.

	July 1.	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*
Sterling Bankers—60 days	4.85¼ — ⅜	4.85 — ⅛	4.84¾ — 85	4.83⅜ — ½	4.84 — ⅛
" " Sight	4.87⅛ —	4.87¾ —	4.87½ — ⅝	4.85½ —	4.86⅝ — ¾
" " Cables	4.87½ —	4.88⅛ — ¼	4.88 — ⅛	4.85⅞ — 86	4.87 — ⅛
" Commercial long	4.85 — ⅛	4.84¾ — ⅞	4.84¼ — ¾	4.83⅛ — ¼	4.83¼ — ¾
" Docu'tary for paym't.	4.84¼ — ⅞	4.84⅛ — 5⅝	4.84 — 5½	4.82⅝ — 3¼	4.83⅝ — 4½
Paris—Cable transfers	5.16⅞ —	5.16⅞ — ¼	5.16⅞ —	5.17½ —	5.15⅝ — 3/32
" Bankers' 60 days..........	5.18⅛ — 17½	5.18¾ — ⅛	5.18¾ —	5.20 — 19⅝	5.18⅛ —
" Bankers' sight............	5.16⅞ —	5.17½ — 16⅞	5.17½ —	5.18⅛ —	5.15⅝ —
Swiss—Bankers' sight...........	5.16⅞ —	5.16⅞ —	5.17½ — 16⅞	5.18⅛ —	5.16¼ —
Berlin—Bankers' 60 days........	95 1/16 — ⅛	95 1/16	94⅞ — 15/16	94⅝ — ¾	94 15/16 — 95
" Bankers' sight..........	95½ —	95⅝ —	95 3/16 — ¼	95 3/16 — ¼	95⅝ —
Belgium—Bankers' sight.........	5.16⅞ —	5.16⅞ —	5.17½ — 16⅞	5.18⅜ — ⅛	5.16⅞ —
Amsterdam—Bankers' sight....	40 1/16 — ⅜	40 1/16 — ⅛	40¼ — 1/16	40 1/16 — ¼	40⅜ —
Kronors—Bankers' sight	26.86 — 26.88	26.84 — 26.86	26.84 — 26.86	26.77 — 26.79	26.88 — 26.90
Italian lire—sight...............	5.16¼ —	5.16⅞ —	5.17½ — 16⅞	5.18⅛ — 17⅛	5.16⅞ — ¼

Foreign Banks.—The Bank of England lost $11,000,000 gold last month, the

Gold and Silver in the European Banks.

	Sept. 1, 1904.		*October 1, 1904.*		*November 1, 1904.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£36,519,641	....	£38,921,863	....	£36,620,226	....
France.............	107,571,848	£44,875,561	105,752,788	£44,384,170	104,354,104	£44,000,521
Germany...........	35,898,000	12,618,000	33,913,000	11,915,000	32,749,000	11,506,000
Russia.............	93,621,000	8,625,000	95,825,000	8,112,000	97,746,000	7,232,000
Austria-Hungary..	48,265,000	12,543,000	48,757,000	12,815,000	48,237,000	12,062,000
Spain..............	14,758,000	20,397,000	14,794,000	20,463,000	14,827,000	20,034,000
Italy..............	22,118,000	3,957,700	21,998,000	3,330,800	22,042,000	3,424,800
Netherlands	5,480,400	6,415,800	5,480,300	6,250,100	5,520,800	6,052,700
Nat. Belgium......	3,108,667	1,554,333	3,273,333	1,636,667	3,298,667	1,649,333
Totals..........	£367,340,551	£110,981,394	£368,714,779	£108,406,237	£365,394,797	£105,960,854

Bank of France $7,000,000 and the Bank of Germany $6,000,000. Russia gained nearly $10,000,000 and now has $100,000,000 gold more than was held a year ago. The Bank of England has $16,000,000 less than it held last year and the Bank of France $38,000,000 less.

MONEY RATES ABROAD.—The Bank of Germany advanced its rate of discount on October 13 to 5 per cent. The former rate was 4 per cent. and had been established for more than a year, or since June 8, 1903. The Bank of England retained its 3 per cent. rate. Open market rates are generally higher than they were a month ago. Discounts of 60 to 90 day bills in London at the close of the month were 2⅞ @ 3 per cent., against 2¼ @ 2⅜ per cent. a month ago. The open market rate at Paris was 2⅝ per cent., against 1⅝ per cent. a month ago, and at Berlin and Frankfort 4⅛ @ 4¼ per cent., against 3¼ per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	July 13, 1904.	Sept. 1, 1904.	Oct. 1, 1904.	Oct. 12, 1904.
Circulation (exc. b'k post bills)	£28,741,605	£28,703,000	£28,408,000	£28,403,200
Public deposits	6,724,146	6,245,000	8,404,000	5,029,610
Other deposits	41,148,779	43,455,000	41,887,000	44,240,200
Government securities	16,903,766	14,234,000	14,227,000	16,298,100
Other securities	25,150,891	17,818,000	25,459,000	28,645,000
Reserve of notes and coin	23,857,264	24,556,000	28,969,000	27,096,300
Coin and bullion	34,148,869	34,500,000	38,921,428	37,051,500
Reserve to liabilities	49 13/16%	53¼%	57½%	54⅛%
Bank rate of discount	3%	3%	3%	3%
Price of Consols (2½ per cents.)	89⅝	88¾	88 7/16	88 5/16
Price of silver per ounce	26 11/16d.	26¼d.	26 11/16d.	26 5/16d.

SILVER.—The price of silver in London after decliding to 26½d. on October 8, was stronger and advanced to 26 15-16d. on the last day of the month. The net gain for the month is ¼d.

MONTHLY RANGE OF SILVER IN LONDON—1902, 1903, 1904.

MONTH.	1902.		1903.		1904.		MONTH.	1902.		1903.		1904.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	26 1/16	25⅝	22⅝	21 11/16	27 5/16	25⅛	July......	24 9/16	24 5/16	25⅜	24¼	27	26⅜
February	25½	25 5/16	22 5/16	21⅞	27⅛	25⅝	August ..	24 7/16	24⅛	26¾	25 5/16	27	26 5/16
March....	25 7/16	24 11/16	22 11/16	22⅛	26 11/16	25⅛	Septemb'r	24⅛	23 9/16	26 7/16	26 3/16	26⅞	26
April.....	24⅞	23 5/16	25 3/16	22⅝	25⅛	24 7/16	October..	23 11/16	23¼	28½	27 7/16	26 15/16	26½
May......	24½	23 5/16	25¼	24 5/16	25 11/16	25⅛	Novemb'r	23¼	21¾	27⅝	26¼	....	....
June.....	24 7/16	23 11/16	24 9/16	24⅛	26⅛	25 5/16	Decemb'r	22½	21 11/16	26⅛	25	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked
Sovereigns	$4.85	$4.87	Mexican doubloons	$15.55	$15.65
Bank of England notes	4.85	4.88	Mexican 20 pesos	19.55	19.65
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.74	4.77	Mexican dollars	.46¼	.47½
Twenty-five pesetas	4.78	4.82	Peruvian soles	.42	.44
Spanish doubloons	15.55	15.65	Chilian pesos	.42	.44

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 26 11/16d. per ounce. New York market for large commercial silver bars, 58⅝ @ 59¾c. Fine silver (Government assay), 58¾ @ 60¼c. The official price was 58¼c.

NATIONAL BANK CIRCULATION.—The circulation of the National banks was increased last month $1,202,092, making the increase since November 1, 1903, $37,670,817. The deposit of Government bonds to secure circulation was increased $1,800,000 of which $1,100,000 was in the new 2 per cent. issue. The National banks now hold $494,000,000 out of the total issue of about $543,000,000 of these bonds.

NATIONAL BANK CIRCULATION.

	July 31, 1904.	*Aug. 31, 1904.*	*Sept. 30, 1904.*	*Oct. 31, 1904.*
Total amount outstanding	$450,206,888	$452,516,778	$456,079,408	$457,281,500
Circulation based on U. S. bonds	415,025,156	417,380,300	422,014,715	424,530,581
Circulation secured by lawful money	35,181,732	35,136,473	34,064,693	32,750,919
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	4,427,000	4,609,500	4,977,000	5,857,500
Four per cents. of 1895	1,822,100	1,790,100	1,791,100	1,791,600
Three per cents. of 1898	1,799,940	1,983,440	2,062,940	1,922,940
Two per cents. of 1900	409,909,850	411,800,900	415,870,450	416,972,750
Total	$417,958,690	$419,683,940	$424,701,490	$426,544,790

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $9,848,750; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $9,981,050; 3 per cents. of 1898, $8,048,500; 2 per cents. of 1930, $77,895,850; District of Columbia 3.65's, 1924, $1,902,000; State and city bonds, $1,971,000; Philippine Island certificates, $3,256,000; Hawaiian Islands bonds, $1,072,000; Philippine loan, $2,022,000, a total of $115,041,650.

GOLD AND SILVER COINAGE.—The mints coined $29,706,375 gold, $843,000 silver and $285,350 minor coin in October, a total of $30,834,725. No standard silver dollars were coined during the month.

COINAGE OF THE UNITED STATES.

	1902.		*1903.*		*1904.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$7,660,000	$2,908,637	$7,635,178	$1,707,000	$2,765,000	$4,657,000
February	6,643,850	2,489,000	7,488,510	1,521,000	35,608,500	1,475,000
March	1,558	2,965,577	6,879,920	1,595,987	63,605,790	1,491,509
April	3,480,315	3,388,278	187,400	1,809,000	26,177,600	1,158,000
May	426,000	1,873,000	69,000	1,584,000	44,109,000	880,000
June	500,345	2,464,353	610	3,840,222	14,884,400	342,143
July	2,120,000	2,254,000	....	887,327	....	455,519
August	8,040,000	2,236,000	450,000	452,000	1,885,000	1,591,000
September	3,560,860	2,831,165	645,692	1,807,469	14,585,705	1,452,082
October	1,890,000	2,287,000	1,540,000	2,824,000	29,706,375	843,000
November	2,675,000	2,399,000	8,794,600	1,401,000	....	....
December	6,277,925	1,982,216	10,043,060	1,567,435	....	....
Year	$47,109,852	$29,928,167	$43,683,970	$19,874,440	$232,822,370	$13,945,253

GOVERNMENT REVENUES AND DISBURSEMENTS—The revenues in October were $3,952,514 less than the expenditures, making the deficit for the four months of the fiscal year $21,809,129. Last year the deficit in October was nearly $5,600,000 but in the four months there was a surplus of $669,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*October, 1904.*	*Since July 1, 1904.*
Customs	$23,405,952	$88,537,736
Internal revenue	21,095,033	80,046,847
Miscellaneous	4,489,623	18,440,487
Total	$48,990,608	$187,025,070
Excess expenditures	3,952,514	21,809,129

EXPENDITURES.

Source.	*October, 1904.*	*Since July 1, 1904.*
Civil and mis	$16,785,989	$53,433,747
War	11,290,612	58,006,062
Navy	9,406,773	41,026,523
Indians	1,248,236	4,248,957
Pensions	10,246,644	47,122,003
Interest	3,964,918	9,996,907
Total	$52,943,122	$208,834,199

UNITED STATES FOREIGN TRADE.—The exports of merchandise increased in September $42,000,000 as compared with the month of August, and reached the record-breaking total for September of $134,000,000. This is $24,000,000 more than for September, 1903, and $13,000 000 more than for the same month in 1902. September imports were larger than for the same month in any other year excepting 1902, and were only $3,600,000 less than in that year. The imports exceeded $84,000,000, while the balance of net exports was $50,000,000. This is the largest export balance

for September since 1900. The total exports for the nine months ended September 30 this year exceed $985,000,000, and are within $4,000,000 of the total for the same period last year. In the last quarter of 1903, the volume of exports was very large, aggregating $495,000,000. Should the exports in the last quarter of this year reach that figure, the total for the full year will come close to a record point.

Exports and Imports of the United States.

Month of September.	Merchandise. Exports.	Imports.	Balance.	Gold Balance.	Silver Balance.
1899	$109,886,677	$70,711,965	Exp., $39,174,712	Imp., $1,974,899	Exp., $1,245,195
1900	115,901,722	59,568,600	" 56,333,122	" 7,045,981	" 1,551,773
1901	106,989,926	66,826,813	" 40,163,113	" 11,742,069	" 2,629,456
1902	121,236,384	87,736,346	" 33,500,038	" 4,451,101	" 2,236,896
1903	110,3[illegible]4,840	81,816,642	" 28,548,198	" 4,186,782	" 680,776
1904	134,267,115	84,132,546	" 50,134,569	" 1,496,587	" 1,375,739
Nine Months.					
1899	902,477,500	585,902,398	Exp., 316,575,102	Imp., 1,390,585	Exp., 16,014,336
1900	1,031,964,238	624,467,433	" 407,496,805	Exp., 12,615,871	" 17,231,461
1901	1,046,319,267	646,477,569	" 399,841,698	" 2,719,473	" 18,996,785
1902	943,165,484	702,149,643	" 241,015,841	" 6,089,827	" 16,876,695
1903	989,276,471	758,798,236	" 230,478,235	" 9,896,179	" 8,282,166
1904	985,470,972	751,376,116	" 234,094,856	" 14,345,238	" 19,452,689

United States Public Debt.—The deficiency in revenues last month is reflected in an increase in the net debt less cash in the Treasury of $4,400,000. A reduction in the National bank-note redemption account caused a decrease in the total debt of $600,000, but the cash balance was reduced $5,000,000. Since July 1 the net debt has increased $19,500,000.

United States Public Debt.

	Aug. 1, 1904.	Sept. 1, 1904.	Oct. 1, 1904.	Nov. 1, 1904.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,400	156,593,650	156,593,650	156,593,950
Refunding certificates, 4 per cent	28,930	28,770	28,770	28,610
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt	$895,157,540	$895,157,630	$895,157,630	$895,157,770
Debt on which interest has ceased	1,881,130	1,841,270	1,662,220	1,627,700
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct.	34,220,208	34,765,732	33,373,135	32,750,866
Fractional currency	6,869,250	6,869,250	6,869,250	6,869,250
Total non-interest bearing debt	$387,824,821	$388,369,845	$386,977,248	$386,354,979
Total interest and non-interest debt.	1,284,862,992	1,285,368,746	1,283,797,099	1,283,140,449
Certificates and notes offset by cash in the Treasury:				
Gold certificates	521,430,969	527,836,969	528,491,969	531,479,969
Silver "	469,645,000	468,329,000	474,322,000	478,464,000
Treasury notes of 1890	12,653,000	12,225,000	11,966,000	11,613,000
Total certificates and notes	$1,003,728,969	$1,007,890,969	$1,014,779,969	$1,021,556,969
Aggregate debt	2,288,591,961	2,293,259,715	2,298,577,068	2,304,697,418
Cash in the Treasury:				
Total cash assets	1,398,829,075	1,400,956,603	1,408,910,984	1,409,935,390
Demand liabilities	1,094,747,496	1,102,981,239	1,107,496,821	1,113,582,593
Balance	$304,081,579	$297,975,364	$301,414,162	$296,352,797
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	154,081,579	147,975,364	151,414,162	146,352,797
Total	$304,081,579	$297,975,364	$301,414,162	$296,342,797
Total debt, less cash in the Treasury.	980,781,413	987,393,382	982,382,937	986,787,652

MONEY IN CIRCULATION IN THE UNITED STATES.—There was an increase of $31,000,000 in the amount of money in circulation last month, making $117,000,000 increase since January 1. The per capita circulation was increased from $31.16 to $31.38 in the month, an increase of $1 since January 1.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1904.	*Sept. 1, 1904.*	*Oct. 1, 1904.*	*Nov. 1, 1904.*
Gold coin	$627,970,533	$646,664,812	$641,844,863	$641,793,093
Silver dollars	81,573,223	71,507,729	76,000,250	79,443,123
Subsidiary silver	97,631,352	95,994,782	98,840,017	100,408,128
Gold certificates	421,080,019	503,719,459	486,512,189	490,193,759
Silver certificates	465,836,290	461,520,160	468,139,876	472,713,832
Treasury notes, Act July 14, 1890	15,828,853	12,168,187	11,860,099	11,551,887
United States notes	343,272,438	332,811,219	336,924,758	342,132,421
National bank notes	418,153,189	433,893,686	442,027,487	445,240,418
Total	$2,466,345,897	$2,558,279,984	$2,562,149,489	$2,583,476,661
Population of United States	81,177,000	82,098,000	82,214,000	82,329,000
Circulation per capita	$30.38	$31.16	$31.16	$31.38

MONEY IN THE UNITED STATES TREASURY.—There was a small decrease in the gross amount of cash in the Treasury last month, but an increase in certificates outstanding caused a reduction of $8,000,000 in the net cash.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1904.	*Sept. 1, 1904.*	*Oct. 1, 1904.*	*Nov. 1, 1904.*
Gold coin and bullion	$686,651,991	$703,131,753	$709,611,105	$721,253,988
Silver dollars	477,594,756	496,304,090	491,795,339	488,352,466
Silver bullion	11,579,510	3,908,351	3,021,439	2,494,572
Subsidiary silver	8,306,927	12,464,160	11,460,297	10,585,044
United States notes	3,408,578	13,869,797	9,756,258	4,548,595
National bank notes	12,009,829	18,623,087	14,051,921	12,041,082
Total	$1,199,551,591	$1,248,401,138	$1,239,696,359	$1,239,275,747
Certificates and Treasury notes, 1890, outstanding	902,745,162	977,407,806	966,512,114	974,459,478
Net cash in Treasury	$296,806,429	$270,993,332	$273,184,245	$264,816,269

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the country increased nearly $13,000,000 since October 1. The increase in gold was $11,600,000 and in National bank notes $1,200,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1904.	*Sept. 1, 1904.*	*Oct. 1, 1904.*	*Nov. 1, 1904.*
Gold coin and bullion	$1,314,622,524	$1,349,896,565	$1,351,455,968	$1,363,047,081
Silver dollars	559,167,979	567,811,819	567,795,589	567,795,589
Silver bullion	11,579,510	3,908,351	3,021,439	2,494,572
Subsidiary silver	105,938,279	108,458,792	110,300,314	110,993,172
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	452,516,773	456,079,408	457,281,500
Total	$2,763,152,326	$2,829,273,316	$2,835,333,784	$2,848,292,930

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of October, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903:

	Year 1903.		Highest and Lowest in 1904.		October, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89⅞	54	88¼ - Oct. 25	64 —Feb. 24	88¼	82⅜	86
″ preferred	103⅛	84⅜	102⅜—Oct. 20	87⅝—Jan. 6	102⅜	100	101¾
Baltimore & Ohio	104	71⅝	95⅝—Oct. 22	72⅞—Mar. 14	95⅝	89¾	93⅝
Baltimore & Ohio, pref.	96¾	82¾	96½—Oct. 19	87⅝—Feb. 19	96½	93	96
Brooklyn Rapid Transit	71⅛	29½	69⅜—Oct. 22	38 —Feb. 24	69⅜	56⅞	66
Canadian Pacific	138¾	115⅝	135¾—Oct. 25	109½—Mar. 12	135¾	127¼	128½
Canada Southern	78½	57½	69 —Sept. 15	64 —Apr. 29	68¾	67⅛	68½
Central of New Jersey	190	153	187 —Oct. 29	154½—Feb. 20	187	180½	184¾
Ches. & Ohio	53⅝	27¼	47¼—Oct. 25	28¼—Mar. 14	47¼	43½	44¾
Chicago & Alton	37¼	18½	42 —Aug. 29	33 —Jan. 2	40	36¾	37⅝
″ preferred	75½	60	85¼ - Jan. 21	75 —Jan. 6	80	80	80
Chicago, Great Western	29⅝	13	25⅜—Oct. 31	12⅞—June 8	25⅜	16¼	23
Chic., Milwaukee & St. Paul	183¼	133¼	175¼—Oct. 25	137⅛—Feb. 24	175¼	158⅛	171
″ preferred	194¼	168	185⅞—Oct. 25	173 —Mar. 4	185⅞	182	185⅞
Chicago & Northwestern	224½	153	197 —Oct. 29	161⅛—Mar. 14	197	187	195
″ preferred	250	190	234 —Oct. 25	207 —Feb. 8	234	227	232¾
Chicago Terminal Transfer	19⅞	8	12¾—Jan. 15	5¼ - Aug. 31	12½	6½	10⅝
″ preferred	36	15	26½—Jan. 15	11½—Aug. 31	26¼	14½	22⅝
Clev., Cin., Chic. & St. Louis	99⅜	66	86⅞—Oct. 15	68½—May 18	86⅞	81	84
Col. Fuel & Iron Co.	82½	24	44⅞—Oct. 31	25½—Mar. 12	44⅞	34¾	42
Colorado Southern	31⅜	10	23⅝ Oct. 24	13½—June 1	23⅝	18¼	23
″ 1st preferred	72	44½	58½—Jan. 25	48 —June 1	55½	50¾	54
″ 2d preferred	48	17	31⅛—Oct 31	17⅞—June 7	31⅛	26	30
Consolidated Gas Co.	222	164	220 —Oct. 19	185 —Feb. 8	220	209½	214
Delaware & Hud. Canal Co.	183½	149	186¾—Oct. 29	149 —Mar. 12	186¾	169½	181¾
Delaware, Lack. & Western	275½	230	329 —Oct. 29	250½—Feb. 23	329	290	322⅝
Denver & Rio Grande	43	18	32⅛—Oct. 25	18 —Mar. 14	32⅛	28¾	31½
″ preferred	90½	62	84¼—Oct. 22	64⅛—Feb. 24	84¼	81	83¼
Detroit Southern	20⅜	7	14¾—Jan. 23	1⅛—June 27	5⅜	4¼	4¾
″ preferred	39¾	14	29½—Jan. 25	2¾—June 27	9¾	7	8⅞
Duluth So. S. & Atl., pref.	29⅜	10	21½—Oct. 29	9¼—Aug. 10	21½	12½	19½
Erie	42⅝	23	41⅛—Oct. 25	21½—May 16	41⅛	28¾	38¼
″ 1st pref	74	62⅛	74¼—Oct. 22	55⅝—May 31	74¼	67⅞	71
″ 2d pref	64⅞	44	54¼—Oct. 24	33 —May 16	54¼	46	51½
Evansville & Terre Haute	72½	39½	66½—Jan. 27	54 —July 15	59⅞	59½	59⅞
Express Adams	235	214	250 —Oct. 29	220 —Feb. 2	250	235	250
″ American	235	171	214½—Aug. 29	180 —June 2	212	208½	210
″ United States	150¼	95	122 —Aug. 25	100 - Feb. 24	121	115½	116
″ Wells, Fargo	249½	191	250 —Aug. 23	200 —June 16	240	236	236
Hocking Valley	106½	63	84¾—Sept. 1	60 —May 24	83	80½	82
″ preferred	99¼	77	91 —Aug. 30	77 —Mar. 12	90¼	88¾	89
Illinois Central	151	125⅛	145⅞—Oct. 25	125¾—Feb. 24	145⅞	139¾	143¾
Iowa Central	48	16	29½—Oct. 20	14 —June 4	29½	24¾	27½
″ preferred	77⅜	30½	51⅛—Oct. 19	32 —Feb. 25	51⅛	45	48¾
Kansas City Southern	36¼	16½	30 —Oct. 31	16½—Feb. 24	30	24	29½
″ preferred	61¼	29	53 —Oct. 31	31 —Feb. 29	53	46	52⅜
Kans. City Ft. S. & Mem. pref.	82¾	62¼	80½—Oct. 24	64⅛—June 1	80½	77	79¾
Louisville & Nashville	130½	95	137½—Oct. 17	101 —Feb. 23	137½	127	132½
Manhattan consol	155½	126¼	164 —Oct. 22	139¾—Mar. 12	164	153⅝	162
Metropolitan securities	128⅞	70½	96½—Aug. 11	72¼—Mar. 14	88	79⅞	81¼
Metropolitan Street	142⅞	99⅞	130⅜—Oct. 21	104¾—Mar. 14	130⅜	118¾	121
Mexican Central	29	8½	19¾—Oct. 25	5 —Apr. 23	19¾	13⅝	18
Minneapolis & St. Louis	110	41	67¾ Jan. 18	40 —June 3	62	56	59
″ preferred	118	83	96½—Sept. 16	80 —July 29	96½	95	96½
Minn., S. P. & S.S. Marie	79½	42	95 —Oct. 29	55 - Jan. 4	95	74¾	92¼
″ preferred	132¼	109½	150 —Oct. 29	116 —May 2	150	130	148¾
Missouri, Kan. & Tex.	30⅛	15½	32⅝—Oct. 25	14⅝—Feb. 24	32⅝	24¼	31⅛
″ preferred	63½	33	59⅝—Oct. 25	32¼—June 1	59⅝	49	57¾
Missouri Pacific	115⅞	85¾	105⅝—Oct. 18	87 —Feb. 24	105⅝	97⅝	102⅝
Natl. of Mexico, pref	47⅝	34½	42⅞—Oct. 24	34¾—Feb. 25	42⅞	38½	40¾
″ 2d preferred	28½	17	22⅝—Oct. 25	15⅞—Feb. 25	22⅝	20½	22¼
N. Y. Cent. & Hudson River	156	112⅝	136½—Oct. 25	112⅞—Mar. 12	136½	126	133½
N. Y., Chicago & St. Louis	45	19½	38¼—Oct. 22	25 —May 16	38¼	32	36
″ 2d preferred	87	50	71⅞ - Oct. 19	60 —June 14	71⅞	65	70

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		OCTOBER, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	35¼	19	47⅞—Oct. 26	19⅝—Mar. 14	47⅞	34	41⅞
Norfolk & Western............	76¼	53⅝	78¾—Oct. 19	53½—Mar. 12	73¾	69⅝	71¾
" preferred............	93½	85	93 —Oct. 17	88 —May 6	93	91	93
North American Co...........	124½	68	97½—Oct. 18	80 —Mar. 12	97½	94	95½
Pacific Mail....................	42¾	17	40⅛—Oct. 21	24 —Feb. 27	40⅛	33	39⅝
Pennsylvania R. R............	157⅞	110¾	138½ Oct. 31	111½—Mar. 12	138½	131½	136½
People's Gas & Coke of Chic.	108⅜	87¾	110¾—Oct. 31	95¾—Mar. 12	110¾	101¾	108½
Pullman Palace Car Co.......	235¾	196	231 —Oct. 14	209 —Mar. 14	231	225	228½
Reading.........................	69¼	37⅛	77¾—Oct. 21	38⅜—Mar. 14	77¾	68⅛	72¾
" 1st prefered..........	89⅞	73	88⅜-Oct. 21	76 --Mar. 1	88⅜	85¾	88
" 2d preferred.........	81	55¾	82 —Oct. 21	55¼—Feb. 25	82	77⅛	81½
Rock Island.....................	53⅝	19½	35¼—Oct. 31	19½—Mar. 11	35¼	28	33⅝
" preferred............	86	55¾	75½—Oct. 15	57¾—Jan. 6	75½	71	73
St. L. & San Fran. 2d pref....	78	39	63¾—Oct. 17	39¼—Jan. 6	63¾	58¼	62
St. Louis & Southwestern....	30	12	23¾—Oct. 31	9½—June 1	23¾	21	22
" preferred............	66	24	51⅝—Oct. 25	25⅝—June 1	51⅝	47	49
Southern Pacific Co...........	68¼	38⅝	64¼—Oct. 25	41½—Mar. 14	64¼	56⅞	60¾
Southern Railway.............	36⅞	16½	36½—Oct. 25	18¼—Feb. 24	36½	32½	33⅞
" preferred............	96	69½	96 —Sept. 9	77½—Jan. 6	96	93½	95
Tennessee Coal & Iron Co....	68¾	25⅞	59 —Oct. 29	31⅝-May 16	59	48	56¾
Texas & Pacific................	43⅝	20½	36⅝—Oct. 25	20 —June 2	36⅝	31⅝	34
Toledo, St. Louis & Western..	31⅞	15	33 —Sept. 19	21½—May 27	32⅝	29¼	30¼
" preferred............	48	24	53 —Sept. 19	32 —Feb. 24	52	48½	49½
Union Pacific..................	104⅝	65½	113¼—Oct. 31	71 —Mar. 14	113¼	102	108½
" preferred............	95¼	33½	95¾—Aug. 30	86½—Feb. 25	95⅝	93	95¼
Wabash R. R..................	32¾	16⅝	22¾—Oct. 25	15 —May 16	22⅝	19½	21½
" preferred............	55¼	27½	44¾—Oct. 18	32¾—Feb. 24	44¾	40¾	43
Western Union................	93	80¼	93 —Oct. 17	85 —May 19	93	90⅝	91½
Wheeling & Lake Erie........	27½	12	20½—Oct. 22	14⅛—July 25	20½	17¼	19⅞
" second preferred....	33½	20	29¾—Jan. 27	21⅛—June 29	28¾	24¾	27½
Wisconsin Central.............	29¼	14½	24¼—Oct. 25	16 —June 6	24¼	19¾	22¾
" preferred............	55½	33	47⅞--Jan. 27	37 —June 6	47	43½	45½
"INDUSTRIAL"							
Amalgamated Copper........	75⅝	33⅝	71¼—Oct. 31	43⅛ Feb. 8	71¼	58⅛	68⅝
American Car & Foundry....	41¾	17¼	27⅞—Oct. 17	14¾—July 1	27⅞	22⅝	25¾
" pref.................	93	60½	85½—Oct. 18	67 —Jan. 6	85½	79½	83¼
American Co. Oil Co..........	46¼	25½	34¾—Aug. 8	24¼—June 14	33	28¾	31½
American Ice	11⅞	4	9¼—Jan. 2	6⅛—Mar. 24	9	7½	8⅝
American Locomotive........	31⅝	10½	30⅜—Oct. 15	16⅛—Jan. 6	30⅝	25¾	27¼
" preferred............	95¾	67½	100½—Oct. 22	75½—Jan. 6	100½	95½	97½
Am. Smelting & Refining Co.	52⅞	36¾	73⅛—Oct. 25	46 —Feb. 25	73⅛	65	71¼
" preferred............	99½	80¼	115 —Oct. 24	88¾—Jan. 6	115	106	112½
American Sugar Ref. Co......	134⅜	107½	146 —Oct. 31	122¼—Mar. 7	146	131	142½
Anaconda Copper Mining....	125½	58	104½—Oct. 31	61 —Feb. 20	104½	94	101¾
Continental Tobacco Co.pref.	119	94¾	126 —Oct. 29	101½—Jan. 4	126	123	125
Corn Products.................	35	15½	22⅝—Jan. 25	9¾—May 9	18⅞	15	18
" preferred............	85½	60	77¼—Oct. 17	65 —Mar. 9	77¼	71	75
Distillers securities...........	34¾	20	34⅞—Oct. 31	19½—June 9	34⅞	28	33¾
General Electric Co...........	204	136	179¼—Jan. 23	151 —June 20	178¼	170	174
International Paper Co.......	19⅞	9	19½—Oct. 14	10¼—May 26	19½	16½	18¾
" preferred............	74¼	57½	79 —Oct. 15	64½ - Feb. 9	79	74⅞	77¾
National Biscuit..............	47⅝	32	49¾—July 20	36 —Jan. 4	49⅝	48	49
National Lead Co..............	29½	10½	26¼—Oct. 8	14⅛—Feb. 25	26¼	21¾	23
Pressed Steel Car Co..........	65¾	22½	44⅛—Oct. 17	24¼—May 16	44⅛	29½	30¾
" preferred............	95	62½	84⅜—Oct. 17	67 —May 16	84⅜	78½	81¾
Republic Iron & Steel Co.....	22⅝	5⅝	18 —Oct. 17	6 —May 16	18	9¼	12
" preferred............	80⅜	36¾	54⅞—Oct. 18	37 —May 13	54⅞	47	53¼
Rubber Goods Mfg. Co........	30	12	24⅝—Oct. 14	14¾—Apr. 15	24⅝	20	22¾
" preferred............	84½	60	88¾—Oct. 12	74¾—Jan. 15	88¾	82	83
U. S. Leather Co.............	15¼	6	14⅛—Oct. 19	6½—May 27	14⅛	9⅝	11⅞
" preferred............	96¾	71½	92½ - Oct. 19	75⅝ - Jan. 4	92½	87½	91¼
U. S. Realty & Con...........	28½	4	9⅝—Jan. 21	5⅛—Jan. 15	....	....	....
" preferred............			63⅝—May 23	40 —Jan. 14	....	....	....
U. S. Rubber Co...............	19½	7	30¼—Oct. 14	10½—Feb. 6	30¼	22	27¾
" preferred............	58	30¼	85¼ -Oct. 15	41 —Jan. 4	85¼	76	84¼
U. S. Steel.....................	39⅞	10	22¾—Oct. 17	8⅜—May 13	22¾	17⅝	20¼
" pref.......................	89¾	49¾	83¾—Oct. 17	51¼—May 13	83¾	73⅝	80⅝

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

Last Sale, Price and Date and Highest and Lowest Prices and Total Sales for the Month.

Note.—The railroads enclosed in a brace are leased to Company first named.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Ann Arbor 1st g 4's...............1995	7,000,000	Q J	97	Oct. 31,'04	97	94½	67,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	148,155,000	A & O	102¾	Oct. 31,'04	102¾	101⅞	767,000
" registered................	....	A & O	100	Oct. 27,'04	100	100	2,000
" adjustment, g. 4's.....1995	25,616,000	NOV	97¼	Oct. 26,'04	98	96¾	225,500
" registered................	....	NOV	82½	Jan. 26,'04	....	....	....
" stamped...............1995	26,112,000	M & N	95	Oct. 31,'04	95½	94¾	304,000
" serial debenture 4's—							
" series C...............1905	2,500,000	F & A	....		....	....	....
" registered................	....	F & A	....		....	....	....
" series D...............1906	2,500,000	F & A	99	Aug. 15,'04	....	....	....
" registered................	....	F & A	....		....	....	....
" series E...............1907	2,500,000	F & A	99¾	Oct. 18,'04	99¾	99¾	20,000
" registered................	....	F & A	....		....	....	....
" series F...............1908	2,500,000	F & A	98¾	Oct. 15,'04	98¾	98¾	4,000
" registered................	....	F & A	....		....	....	....
" series G...............1909	2,500,000	F & A	....		....	....	....
" registered................	....	F & A	....		....	....	....
" series H...............1910	2,500,000	F & A	97½	Sept. 12,'04	....	....	....
" registered................	....	F & A	....		....	....	....
" series I...............1911	2,500,000	F & A	....		....	....	....
" registered................	....	F & A	....		....	....	....
" series J...............1912	2,500,000	F & A	....		....	....	....
" registered................	....	F & A	....		....	....	....
" series K...............1913	2,500,000	F & A	97	Oct. 26,'04	97	96¾	7,000
" registered................	....	F & A	....		....	....	....
" series L...............1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered................	....	F & A	....		....	....	....
" East.Okla.div.1stg.4's.1928	6,128,000	M & S	97½	Oct. 24,'04	97½	96⅞	126,000
" " registered......	....	M & S	....		....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....		....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	36,844,000	M & S	98⅝	Oct. 31,'04	98¾	98½	848,000
" registered..................		M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g. 7's..1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's..1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
" 1st g. 5's.............1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's..1928	2,800,000	M & N	114¼	Oct. 18,'04	114¼	114¼	1,000
Brunswick & W'n 1st gtd. g. 4's..1938	3,000,000	J & J	93	July 14,'04	....	....	....
Sil.Sps Oc.& G.RR.&ld g.gtd g.4s.1918	1,067,000	J & J	97¾	Oct. 5,'04	97¾	97¾	1,000
Balt. & Ohio prior lien g. 3½s..1925	72,798,000	J & J	95¾	Oct. 31,'04	96	95	227,500
" registered..............		J & J	93	Sept. 21,'04	....	....	....
" g. 4s....................1948	70,963,000	A & O	103¼	Oct. 31,'04	103¾	101¾	387,500
" g. 4s. registered............		A & O	102¼	Oct. 31,'04	102½	100½	14,000
" ten year c. deb. g. 4's..1911	592,000	M & S	101¼	Oct. 12,'04	101¼	101¼	5,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	92¾	Oct. 27,'04	92¾	91⅞	19,000
" registered...............		QFeb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s... 1941	20,000,000	M & N	100⅛	Oct. 31,'04	100⅛	99	140,000
" Southw'n div. 1st g.3½s.1925	43,590,000	J & J	91⅞	Oct. 31,'04	92½	91⅝	287,500
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	105⅛	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	108	Sept. 7,'04	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's..1922	515,000	A & O	119⅛	Mar. 7,'04	....	....	....
Pittsburg & Western,1st g.4's...1917	688,000	J & J	100	Oct. 14,'04	100	100	2,000
" J. P. Morgan & Co. cer.....	1,921,000	......	100	Sept. 22,'04	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	117½	Aug. 13,'04	....	....	....
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	121½	Mar. 2,'04	....	....	....
" cons. 1st 6's,...........1922	3,920,000	J & D	123⅛	Aug. 17,'04	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	4,317,000	J & J	99¼	Oct. 14,'04	99¼	98¾	20,000
" registered......		J & J	....		....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	OCTOBER SALES. High.	OCTOBER SALES. Low.	OCTOBER SALES. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	104	Oct. 31,'04	107	103¾	114,000
• 2d mortg. 5's,	1913	6,000,000	M & S	107	Oct. 19,'04	107	107	7,000
• registered			M & S	107	July 11,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	95⅛	Oct. 6,'04	95⅛	95⅛	2,000
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	120¾	Oct. 20,'04	120¾	120¾	27,000
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,600	M & N	113⅞	Oct. 31,'04	114	112	595,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	....	....	....
• 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	88⅛	Oct. 31,'04	89	82⅛	651,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	63⅛	Oct. 31,'04	65	52	1,245,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	49⅛	Oct. 31,'04	51	38⅛	536,000
• Chat. div. pur. my. g. 4's.	1951	2,057,000	J & D	93⅛	Oct. 22,'04	93⅛	93⅛	2,000
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19.'04	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	107¼	Aug. 2,'04	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	112⅛	Oct. 14,'04	112⅛	111⅛	3,000
Central of New Jersey, gen. g. 5's	1987	27,419,000	J & J	124¾	Oct. 31,'04	134¾	134⅛	32,000
• registered			Q J	132¾	Oct. 31,'04	134¾	132¼	14,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	114	Oct. 17,'04	114	114	20,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	104¾	Oct. 19,'04	104¾	104¾	4,000
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	102⅞	Oct. 31,'04	103	101⅞	24,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	108	July 1,'04	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	111⅛	July 27,'04	....	....	....
• 1st con. g. 5's	1939	25,858,000	M & N	120⅛	Oct. 29,'04	120⅛	119⅛	43,000
• registered			M & N	117⅛	Oct. 11,'04	117⅛	117⅛	1,000
• Gen. m. g. 4½'s	1992	38,078,000	M & S	105⅞	Oct. 31,'04	106	105⅛	274,000
• registered			M & S	95	Dec. 22,'03	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	112	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	102	Oct. 25,'04	103	102	4,000
• 2d con. g. 4's	1989	1,000,000	J & J	98⅛	Sept.19,'04	....	....	....
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	106⅛	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	95⅛	Sept.20,'04	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	84¾	Sept.26,'04	....	....	....
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	80⅛	Oct. 31,'04	81⅛	80⅛	307,000
• registered			J & J	83	Oct. 26,'02	83⅛	83	179,000
Chicago, Burl. & Quincy:								
• Chic. & Iowa div. 5's	1905	2,320,000	F & A	104¾	Apr. 11,'91	....	....	....
• Denver div. 4's	1922	4,833,000	F & A	101¾	Oct. 21,'04	101¾	101	6,000
• Illinois div. 3½s	1949	50,835,000	J & J	95⅛	Oct. 26,'04	95⅛	94¼	526,000
• registered			J & J	90⅛	Apr. 16,'04	....	....	....
• Illinois div. 4s	1949	5,992,000	J & J	105¾	Aug. 8,'04	....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,449,000	A & O	103¾	Apr. 27,'04	....	....	....
• 4's	1919	8,049,000	A & O	100⅛	Oct. 24,'04	100⅛	100⅛	1,000
• Nebraska extensi'n 4's,	1927	25,344,000	M & N	106¼	Oct. 18,'04	107	106¼	5,000
• registered			M & N	105	Dec. 2,'03	....	....	....
• Southwestern div. 4's.	1921	3,550,000	M & S	100¾	Feb. 8,'04	....	....	....
• 4's joint bonds	1921	215,222,000	J & J	98⅛	Oct. 31,'04	98⅛	97¾	1,922,000
• • registered			Q JAN	97	Oct. 24,'04	97	95¼	24,000
• 5's, debentures	1913	9,000,000	M & N	108	Oct. 26,'04	108¼	108	4,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	112⅛	Oct. 31,'04	112⅛	112⅛	3,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	107⅛	Sept.26,'04	....	....	....
• small bonds			J & D	103⅛	July 8,'04	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
• gen. con. 1st 5's	1937	16,529,000	M & N	120	Oct. 21,'04	120	119⅛	29,000
• registered			M & N	119⅛	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	117	Sept. 1,'04	....	....	....
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	132	Oct. 27,'04	132	131	27,000
• ref. g. 5's	1947	4,442,000	J & J	116	Oct. 28,'04	116⅛	116	20,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	109⅛	July 27,'03	....	....	....
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's,	1905	1,286,000	J & J	184	Oct. 20,'04	184	184	2,0'0
• terminal g. 5's	1914	4,748,000	J & J	111	Oct. 20,'04	111	111	2,000
• gen. g. 4's, series A	1989	23,6?6,000	J & J	110⅛	Oct. 29,'04	110⅛	110	18,000
• registered		....	Q J	109⅛	June18,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st paid.	LAST SALE. Price. Date.	OCTOBER SALES. High.	Low.	Total.
″ gen. g. 3½'s, series B.	1989	2,500,000	J & J	97½ Oct. 11,'04	97½	97½	50,000
″ registered			J & J	....	....	....	....
″ Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116½ Apr. 29,'03	....	....	....
″ Chic. & M. R. div. 5's,	1926	3,083,000	J & J	116 Apr. 15,'04	....	....	....
″ Chic. & Pac. div. 6's,	1910	3,000,000	J & J	112¾ Sept.30,'04	....	....	....
″ 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	116⅞ Oct. 17,'04	117	116⅞	3,000
″ Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112½ Oct. 25,'04	112½	112½	1,000
″ Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½ July 18,'98	....	....	....
″ 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	116⅞ Oct. 21,'04	116⅞	116¾	11,000
″ 1st 5's	1910	990,000	J & J	106 Aug. 3,'04	....	....	....
″ 1st 7's, Iowa & D, ex,	1908	1,005,000	J & J	169 Mar. 14,'04	....	....	....
″ 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	113 Aug.31,'03	....	....	....
″ Mineral Point div. 5's,	1910	2,840,000	J & J	107⅜ Oct. 18,'04	107⅜	107⅜	2,000
″ 1st So. Min. div. 6's....	1910	7,432,000	J & J	111¾ Oct. 17,'04	111¾	111½	2,000
″ 1st 6's, Southw'n div.,	1909	4,000,000	J & J	111 Sept.28,'04	....	....	....
″ Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	115⅝ Sept.26,'04	....	....	....
″ Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	112 Sept. 7,'04	....	....	....
″ 1st con. 6's	1913	5,092,000	J & D	118¼ Oct. 20,'04	118¼	118¼	3,000
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	130½ Oct. 4,'04	130½	130½	1,000
″ extension 4's.....	1886-1926	18,632,000	F A 15	104⅞ June 24,'04	....	....	....
″ registered			F A 15	102⅝ May 11,'04	....	....	....
″ gen. g. 3½'s	1987	20,538,000	M & N	100 Oct. 6,'04	100	100	6,000
″ registered			Q F	103 Nov.19,'98	....	....	....
″ sinking fund 6's..	1879-1929	5,686,000	A & O	117 July 26,'04	....	....	....
″ registered			A & O	111½ Dec. 11,'03	....	....	....
″ sinking fund 5s'..	1879-1929	6,769,000	A & O	109¼ Oct. 27,'04	109¼	109¼	1,000
″ registered			A & O	107 Mar. 28,'04	....	....	....
″ deben. 5's	1909	5,900,000	M & N	108 Oct. 28,'04	108	108	25,000
″ registered			M & N	104 Mar. 3,'04	....	....	....
″ deben. 5's	1921	10,000,000	A & O	110½ Oct. 5,'04	110½	110½	1,000
″ registered			A & O	108¾ Jan. 12,'04	....	....	....
″ sinking f'd deben. 5's.	1933	9,800,000	M & N	118 July 4,'04	....	....	....
″ registered			M & N	114⅛ June 3,'04	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127 Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	106 Nov. 5,'02	....	....	....
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½ May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105⅝ Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	109¾ June 18,'04	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	129¾ Oct. 21,'04	129¾	129¾	1,000
″ ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	118 Oct. 20,'04	118	118	15,000
″ Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½ Feb. 10,'02	....	....	....
″ Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131¾ Dec. 3,'03	....	....	....
″ con. deb. 5's	1907	436,000	F & A	103 Apr. 8,'04	....	....	....
″ incomes	1911	500,000	M & N	109 Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	125 June 6,'04	....	....	....
″ registered	1917		J & J	122½ Aug. 3,'04	....	....	....
″ gen. g. 4's	1988	61,581,000	J & J	105 Oct. 31,'04	105	104¾	224,000
″ registered			J & J	107 Jan. 16,'03	....	....	....
″ coll. tr. ser. 4's ser. C.	1905	1,494,000	M & N	101¼ Sept. 29,'02	....	....	....
″ D	1906	1,494,000	M & N	....	....	....	....
″ E	1907	1,494,000	M & N	....	....	....	....
″ F	1908	1,494,000	M & N	....	....	....	....
″ G	1909	1,494,000	M & N	....	....	....	....
″ H	1910	1,494,000	M & N	97 July 14,'04	....	....	....
″ I	1911	1,494,000	M & N	....	....	....	....
″ J	1912	1,494,000	M & N	....	....	....	....
″ K	1913	1,494,000	M & N	....	....	....	....
″ L	1914	1,494,000	M & N	....	....	....	....
″ M	1915	1,494,000	M & N	96 May 16,'04	....	....	....
″ N	1916	1,494,000	M & N	93 May 24,'04	....	....	....
″ O	1917	1,494,000	M & N	....	....	....	....
″ P	1918	1,494,000	M & N	90 May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	78⅜ Oct. 31,'04	78⅞	76¼	6,068,000
″ registered			M & N	76½ Sept.14,'04	....	....	....
″ coll. trust g. 5's	1913	17,180,000	M & S	88¾ Oct. 31,'04	90	86	1,586,000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	103 Sept.23,'04	....	....	....
″ con. 1st & col. tst 5's.	1934	11,000,000	A & O	122 Sept.17,'04	....	....	....
″ registered			A & O	120½ Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112½ Sept.26,'04	....	....	....
Minneap's & St. Louis 1st 7's, g,	1927	150,000	J & D	40 Aug.24,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	105 Oct. 3,'04	105	105	3,000
″ con. g. 5's	1952	5,411,000	J & J	....	....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	95¼ Oct. 1,'03	....	....	....
″ 1st 2½'s	1905	1,200,000	J & J	95 Sept.14,'04	....	....	....
″ extension 4's		672,000	J & J	98 Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	106¾ July 8,'04	....	....	....
″ small bond	1923	....	A & O	102½ Apr. 26,'04	....	....	....

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Chic., St. P., Minn. & Oma. con. 6's. 1930	14,695,000	J & D	135⅛	Oct. 27, '04	135¼	135⅛	31,000
" con. 6's reduced to 3½'s. 1930	2,000,000	J & D	93	Dec. 19, '04	....	....	....
Chic., St. Paul & Minn. 1st 6's. 1918	1,859,000	M & N	129	May 11, '04	....	....	....
North Wisconsin 1st mort. 6's. 1930	859,000	J & J	129¾	Mar. 3, '04	....	....	....
St. Paul & Sioux City 1st 6's. 1919	6,070,000	A & O	123½	July 11, '04	....	....	....
Chic., Term. Trans. R. R. g. 4's. 1947	14,735,000	J & J	82	Oct. 31, '04	82	77⅛	178,000
Chic. & Wn. Ind. gen'l g. 6's. 1932	9,453,000	Q M	111⅛	Apr. 28, '04	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's. 1905	927,000	A & O	104⅛	Dec. 5, '03	....	....	....
" 2d g. 4½'s. 1937	2,000,000	J & J	113	Oct. 10, 19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's. 1941	3,500,000	M & N	113¼	July 14, '04	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's. 1923	1,000,000	M & N	....	....	....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's. 1953	3,200,000	J & J	98	Oct. 5, '04	98	98	5,000
Clev., Cin., Chic. & St. L. gen. g. 4's. 1993	19,749,000	J & D	102	Oct. 31, '04	102¼	100	115,000
" do Cairo div. 1st g. 4's. 1939	5,000,000	J & J	100	July 9, '04	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's. 1991	4,000,000	J & J	98⅛	July 30, '04	....	....	....
St. Louis div. 1st col. trust g. 4's. 1990	9,750,000	M & N	101⅛	Sept. 26, '04	....	....	....
" registered			100	Oct. 3, '04	100	100	1,000
Sp'gfield & Col. div. 1st g. 4's. 1940	1,035,000	M & S	102	Dec. 9, '02	....	....	....
White W. Val. div. 1st g. 4's. 1940	650,000	J & J	94½	Aug. 31, '03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's. 1936	7,599,000	Q F	101⅛	Sept. 19, '04	....	....	....
" registered			95	Nov. 15, '94	....	....	....
" con. 6's. 1920	668,000	M & N	105	Jan. 22, '04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's. 1928	2,571,000	J & J	115¼	June 23, '04	....	....	....
Clev., C., C. & Ind. con. 7's. 1914	3,991,000	J & D	120	July 28, '02	....	....	....
" sink. fund 7's. 1914		J & D	119⅝	Nov. 19, '89	....	....	....
" gen. consol 6's. 1934	3,205,000	J & J	130	Sept. 19, '04	....	....	....
" registered		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's. 1940	981,500	A & O	104½	Nov. 19, '01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's. 1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's. 1940	8,103,000	A & O	99	Oct. 31, '04	99⅛	98	76,000
" income 4's. 1990	4,000,000	A	69	Oct. 31, '04	70	67¾	270,000
Clev., Lorain & Wheel'g con. 1st 5's. 1933	5,000,000	A & O	112⅛	Feb. 9, '04	....	....	....
Clev., & Mahoning Val. gold 5's. 1938	2,936,000	J & J	116	Feb. 10, '04	....	....	....
" registered		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's. 1947	8,946,000	J & J	69	Oct. 31, '04	69¾	66⅛	345,000
Colorado & Southern 1st g. 4's. 1929	18,803,000	F & A	88	Oct 31, '04	88¾	85¾	329,000
Conn., Passumpsic Riv's 1st g. 4's. 1943	1,900,000	A & O	102	Dec. 27, '93	....	....	....
Delaware, Lack. & W. mtge 7's. 1907	3,067,000	M & S	109⅛	Oct. 4, '04	109⅛	109⅛	2,000
Morris & Essex 1st m 7's. 1914	5,000,000	M & N	128⅛	June 20, '04	....	....	....
" 1st c. gtd 7's. 1915	11,677,000	J & D	130⅛	Aug. 24, '04	....	....	....
" registered		J & D	140	Oct. 26, '98	....	....	....
" 1st refund. gtd. g. 3½'s. 2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's. 1921	12,000,000	J & J	129⅛	Aug. 27, '04	....	....	....
" const. 5's. 1923	5,000,000	F & A	114⅛	July 6, '04	....	....	....
" terml. imp. 4's. 1923	5,000,000	M & N	105¾	Oct. 6, '04	105¾	105¾	5,000
Syracuse, Bing. & N. Y. 1st 7's. 1906	1,966,000	A & O	108¼	July 16, '04	....	....	....
Warren Rd. 1st rfdg. gtd g. 3½'s. 2000	905,000	F & A	102	Feb. 2, '03	....	....	....
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's. 1917	5,000,000	M & S	133¾	Mar. 30, '04	....	....	....
" reg. 1917		M & S	149	Aug. 5, '01	....	....	....
Albany & Susq. 1st c. g. 7's. 1906	3,000,000	A & O	106	June 3, '04	....	....	....
" registered		A & O	122	June 6, '99	....	....	....
" 6's. 1906	7,000,000	A & O	104	May 12, '04	....	....	....
" registered		A & O	109⅛	Nov. 16, '01	....	....	....
Rens. & Saratoga 1st 7's. 1921	2,000,000	M & N	146⅝	Oct. 10, '04	146⅝	146⅝	1,000
Denver & Rio G. 1st con. g. 4's. 1936	33,450,000	J & J	101¼	Oct. 31, '04	101¼	100⅛	86,000
" con. g. 4½'s. 1936	6,382,000	J & J	104¼	July 1, '03	....	....	....
" impt. m. g. 5's. 1928	8,318,500	J & D	109	Oct. 27, '04	109	107	21,500
Rio Grande Western 1st g. 4's. 1939	15,200,000	J & J	99⅛	Oct. 31, '04	100	99	59,000
" mge. & col. tr. g. 4's ser. A. 1949	12,730,000	A & O	88¾	Oct. 24, '04	88¾	88	32,000
Utah Central 1st gtd. g. 4's. 1917	550,000	A & O	97	Jan. 3, '02	....	....	....
Den. & Southwn Ry g. s. fg. 5's. 1929	4,923,000	J & D	24	May 4, '04	....	....	....
Midl'd Ter. Ry. 1st g. s. f. 5's. 1925	472,000	J & D	....	....	....	....	....
Des Moines Union Ry 1st g. 5's. 1917	628,000	M & N	110	Sept. 30, '04	....	....	....
Detroit & Mack. 1st lien g. 4s. 1995	900,000	J & D	100	Sept. 13, '04	....	....	....
" g. 4s. 1995	1,250,000	J & D	95⅛	Oct. 26, '04	95⅛	95⅛	28,000
Detroit Southern 1st g. 4's. 1951	3,866,000	J & D	45	Oct. 25, '04	45	45	10,000
" Ohio South. div. 1st g. 4's. 1941	4,281,000	M & S	81⅛	Oct. 31, '04	81⅛	78	27,000
Duluth & Iron Range 1st 5's. 1937	6,732,000	A & O	113¾	Oct. 28, '04	113¾	113⅛	2,000
" registered		A & O	101⅛	July 23, '89	....	....	....
" 2d l m 6s. 1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's. 1937	3,816,000	J & J	113¼	Sept. 19, '04	....	....	....
Duluth Short Line 1st gtd. 5's. 1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's. 1941	8,500,000	M & N	117⅛	Oct. 28, '04	117⅛	117⅛	1,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03			
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July11,'04			
" 3d extended g. 4½'s	1923	4,617,000	M & S	109⅝	Sept.29,'04			
" 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04			
" 5th extended g. 4's	1928	709,500	J & D	103¼	Sept.12,'03			
" 1st cons gold 7's	1920	16,890,000	M & S	134¼	Oct. 28,'04	134¼	134¼	5,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03			
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	101	Oct. 31,'04	101⅛	99	128,000
" registered			J&J	98½	Jan. 21,'04			
" 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	88⅞	Oct. 31,'04	89¼	87⅛	2,229,000
" registered			J&J	85½	Feb. 4,'04			
" Penn. col. trust g. 4's	1951	33,000,000	F & A	93¼	Oct. 31,'04	93½	92⅛	224,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	125¼	June21,'04			
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J					
" small			J&J					
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123	Oct. 15,'04	123	122	54,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	103	Oct. 8,'02	103	103	2,000
Long Dock consol. g. 6's	1935	7,500,000	A & O	132	Apr. 13,'04			
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04			
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113½	Nov.25,'03			
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	106½	Jan. 6,'04			
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	108⅞	Oct. 20,'04	108⅞	108⅞	1,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	115½	Oct. 26,'04	115½	114⅛	7,000
" 2d g. 4½'s	1937	447,000	F & A	98	Aug.11,'04			
" gen. g. 5's	1940	2,546,000	F & A	106¼	Oct. 25,'04	106¼	106	10,000
" term. 1st g. 5's	1943	2,000,000	M & N	117	Oct. 21,'04	117	117	2,000
" registered......$5,000 each			M & N					
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	111½	Oct. 13,'04	111½	111½	6,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	107	Dec. 17,'03			
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	121½	Sept.28,'04			
" 1st General g 5's	1942	2,672,000	A & O	106	Oct. 10,'04	106	105½	5,000
" Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02			
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	104	104	10,000
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar.11,'98			
Ft. Worth & D. C. ctfs.dep.1st 6's	1921	8,176,000	......	111¾	Oct. 25,'04	111¾	110	31,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	85½	Oct. 28,'04	85½	84	27,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Oct. 14,'04	103	102	10,000
Gulf & Ship Isl. 1st refg.&ter.5's	1952	4,591,000	J & J	104½	Oct. 19,'04	104½	104	10,000
" registered			J & J					
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	109	Oct. 28,'04	109¼	108	162,000
" registered			J & J	105½	July14,'04			
Col. Hock's Val. 1st ext. g. 4's	1948	1,401,000	A & O	100¼	Apr. 12,'04			
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	115	Apr. 11,'04			
" registered			J&J	113½	Mar. 12,19'			
" 1st gold 3½'s	1951	2,499,000	J&J	102	Aug.19,'04			
" registered			J&J	94	Mar. 28,'03			
" extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03			
" registered			A & O					
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	70	70	10,000
" registered			M & S					
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	103	Oct. 21,'04	106	103	4,000
" regist'd			A & O	102	Oct. 4,'03			
" col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	103½	Oct. 31,'04	106	103	16,000
" registered			M & N	101	Apr. 7,'04			
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03			
" registered			J & D	123	May 24,'99			
" Louisville div.g.3½'s	1953	14,320,000	J & J	96	Oct. 13,'04	96¾	96	14,000
" registered			J & J	88½	Dec. 8,'99			
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99			
" Omaha div. 1st g.3's	1951	5,000,000	F & A	85¼	Oct. 19,'04	85½	84¾	63,000
" St. Louis div. g. 3's	1951	4,939,000	J & J	85⅝	Oct. 11,'04	85⅝	85⅝	9,000
" registered			J & J	101¼	Jan. 31,'19			
" g. 3½'s	1951	6,321,000	J & J	94½	Aug.11,'04			
" registered			J & J	101½	Sept.10,'95			
" Sp'gfield div 1st g 3½'s	1951	2,000,000	J & J	100	Nov. 7,19'			
" registered			J & J	124	Dec. 11,'99			
" West'n Line 1st g. 4's	1951	5,425,000	F & A	107¼	July13,'04			
" registered			F & A	101¼	Jan.31,'91			
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04			

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Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Carbond'e & Shawt'n 1st g. 4's, 1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's....1951	16,555,000	J D 15	119	Feb. 25,'04	....	....	....
• gold 5's, registered........		J D 15	119¾	Mar. 12,'04	....	....	....
• g. 3½'s................1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
• registered................		J D 15	106¼	Aug.17,'99	....	....	....
• Memph. div. 1st g. 4's, 1951	3,500,000	J & D	104⅛	Sept. 6,'04	....	....	....
• registered................		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	102⅛	Oct. 1,'04	102⅛	102⅛	1,000
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
• 1st gtd. g. 5's...........1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	99⅛	Oct. 28,'04	99⅛	99⅛	1,000
Internat. & Gt. N'n 1st. 6's, gold.1919	11,291,000	M & N	122	Oct. 3,'04	122	121⅞	2,000
• 2d g. 5's.................1909	10,391,000	M & S	100	Oct. 31,'04	100	98½	51,000
• 3d g. 4's.................1921	2,959,500	M & S	70	Nov. 19,'03	....	....	....
Iowa Central 1st gold 5's.........1938	7,650,000	J & D	114⅝	Oct. 14,'04	114⅝	114⅝	10,000
• refunding g. 4's ...1951	2,000,000	M & S	87½	Oct. 28,'04	87¾	86	17,000
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	72	Oct. 31,'04	72½	71⅛	290,000
• registered..................		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	120½	Oct. 13,'04	120½	120½	3,000
• 2d mtge. g. 5's..........1941	3,625,000	J & J	114½	July 16,'04	....	....	....
Northern Ohio 1st gtd g 5's.. 1945	2,500,000	A & O	115¼	Oct. 12,'04	115¼	115¼	5,000
Lehigh Val. (Pa.) coll. g. 5's.....1997	8,000,000	M & N	107¼	May 21,'04	....	....	....
• registered....................		M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	109½	Oct. 24,'04	109½	109½	6,000
• registered..................	....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	116	Aug.18,'02	....	....	....
• registered..................		A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,114,000	J & J	111	Sept.30,'04	....	....	....
• registered................1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	99	Aug.26,'04	....	....	....
• registered..................		M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	....	....	....	....	....
• • g. gtd 5's.......1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's..........1931	3,610,000	Q J	116½	Oct. 18,'04	118	116½	3,000
• 1st con. g. 4's...........1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's.........1938	3,000,000	J & D	102	Oct. 24,'04	102	102	4,000
• Ferry 1st g. 4½'s......1922	1,494,000	M & S	100	Oct. 12,'04	100	100	2,000
• g. 4's..................1932	325,000	J & D	99¼	Oct. 28,'04	99¼	99¼	1,000
• unified g. 4's...........1949	6,860,000	M & S	101	Oct. 28,'04	101	100½	33,000
• deb. g. 5's........1934	1,135,000	J & D	110	June22,'04	....	....	....
• gtd. refunding g. 4's..1949	10,000,000	M & S	101⅝	Oct. 28,'04	101⅝	100¼	18,000
• • registered........		M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
• 1st 5's..................1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	883,000	M & S	107½	Sept.27,'04	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	QJAN	112¼	Apr. 9,'02	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.1927	2,724,000	M & S	103½	Oct. 31,'04	103⅝	103	81,000
Louis. & Nash. gen. g. 6's.......1930	8,239,000	J & D	118	July 21,'04	....	....	....
• gold 5's................1937	1,764,000	M & N	115¾	Aug.27,'04	....	....	....
• Unified gold 4's........1940	31,722,000	J & J	102¾	Oct. 31,'04	102¾	100⅞	301,000
• registered 1940		J & J	101⅞	June18,'94	....	....	....
• collateral trust g. 5's, 1931	5,129,000	M & N	116½	Oct. 20,'04	116½	116½	8,000
• 5-20yr. col. tr. deed g. 4's. 1923	23,000,000	A & O	97½	Oct. 29,'04	97½	97	649,000
• E., Hend. & N. 1st 6's..1919	1,730,000	J & D	114	Sept.10,'04	....	....	....
• L. Cin. & Lex. g. 4½'s,..1931	3,258,000	M & N	108¼	Jan. 30,'03	....	....	....
• N. O. & Mobile 1st g. 6's..1930	5,000,000	J & J	130½	Oct. 28,'04	130½	130½	2,000
• 2d g. 6's.................1930	1,000,000	J & J	122¾	Aug.31,'03	....	....	....
• Pensacola div. g. 6's...1920	580,000	M & S	116⅜	Mar. 22,'02	....	....	....
• St. Louis div. 1st g. 6's.1921	3,500,000	M & S	122	Apr. 21,'04	....	...	....
• 2d g. 3's................1980	3,000,000	M & S	75	June20,'02	....	....	....
• At. Kx. & N. R. 1st g. 5's.1946	1,000,000	J & D	112	Sept.20,'04	....	....	....
• H. B'ge 1st sk'fd. g 6's.1931	1,453,000	M & S	....	....	....	....	....
• Ken. Cent. g. 4's......1987	6,742,000	J & J	101¼	Oct. 21,'04	101¼	101¼	1,000
• L. & N. & Mob. & Montg 1st. g. 4½s..........1945	4,000,000	M & S	107½	Oct. 7,'02	107½	107½	2,000
• South. Mon. joint 4's.1952	11,827,000	J & J	95	Oct. 28,'04	96¼	95	32,000
• registered....		Q Jan	....	....	....	....	....
• N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	117½	July 15,'04	....	....	....
• Pen. & At. 1st g. g. 6's, 1921	2,454,000	F & A	115	Jan. 29,'04	....	....	....
• S. & N. A. con. gtd. g. 5's.1936	3,673,000	F & A	117	July 19,'04	....	....	....
• So. & N. Ala. s'fd. g. 6s.1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.1945	3,000,000	M & S	98⅝	Oct. 26,'04	98⅝	98	15,000
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	105½	Oct. 29,'04	105¾	105	97,000
• registered...................		A & O	103⅜	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	108⅛	Oct. 18,'04	108⅛	108⅝	18,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central.								
• con. mtge. 4's	1911	65,690,000	J & J	73	Oct. 29,'04	74⅛	68¼	206,000
• 1st con. inc. 3's	1939	20,511,000	JULY	21	Oct. 31,'04	24¼	16⅝	1,837,000
• 2d 3's	1939	11,724,000	JULY	16	Oct. 31,'04	17⅛	10	1,278,000
• equip. & collat. g. 5's	1917	600,000	A & O	....	....	....	....	....
• 2d series g. 5's	1919	665,000	A & O	....	....	....	....	....
• col.trust g.4½'s1st se of	1907	10,000,000	F & A	93⅛	Oct. 19,'04	94	92	97,000
Mexican Internat'l 1st con g. 4's.	1977	3,862,000	M & S	90⅝	July 29,'01	....	....	....
• stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	1,016,000	J & D	....	....	....	....	....
• registered			J & D	105	May 2,19'	....	....	....
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	142	Dec. 7,'03	....	....	....
• Iowa ext. 1st g. 7's	1909	1,015,000	J & D	113	Oct. 7,'04	113	113	2,000
• Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120⅛	Feb. 29,'04	....	....	....
• Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02	....	....	....
• 1st con. g. 5's	1934	5,000,000	M & N	117	Oct. 18,'04	117	117	3,000
• 1st & refunding g. 4's	1949	7,600,000	M & S	95	Oct. 19,'04	95	95	1,000
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	29,055,000	J & J	98⅛	Oct. 5,'04	98⅛	98	10,000
• stamped pay. of int. gtd.				....	....	....	....	....
Minneapolis & Pacific 1st m. 5's	1936	337,000	J & J	102	Mar. 26,'87	....	....	....
• stamped 4's pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,209,000	J & J	103	Nov. 11,'01	....	....	....
• stamped pay. of int. gtd.				89⅝	June 18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	40,000,000	J & D	102⅛	Oct. 31,'04	102⅛	100⅝	281,000
• 2d mtge. g. 4's	1990	20,000,000	F & A	85	Oct. 31,'04	87	80¼	748,500
• 1st ext gold 5's	1944	3,254,000	M & N	105⅛	Oct. 29,'04	105¾	103½	272,000
St. Louis div. 1st refundg 4s	2001	1,881,000	A & O	87	Oct. 28,'04	88	85¼	12,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	102	Jan. 26,'04	....	....	....
Mo. K.&T. of Tex 1st gtd. g. 5's.	1942	4,505,000	M & S	106	Oct. 29,'04	106	103⅛	205,000
Sher. Shrevept & Solst gtd. g. 5's	1943	1,689,000	J & D	104⅛	Oct. 7,'04	104¾	104⅛	20,000
Kan. City & Pacific 1st g. 4's	1990	2,500,000	F & A	91⅞	Oct. 27,'04	91⅞	91	4,000
Mo. K. & East'n 1st gtd. g. 5's	1942	4,000,000	A & O	109⅛	Oct. 29,'04	109⅛	108¾	5,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	123⅛	Oct. 12,'04	122⅛	122¼	4,000
• 3d mortgage 7's	1906	3,828,000	M & N	109	Oct. 14,'04	109	109	2,000
• trusts gold 5's stamp'd	1917	14,376,000	M & S	106¾	Oct. 31,'04	106¾	106	132,000
• registered			M & S	....	....	....	....	....
• 1st collateral gold 5's.	1920	9,636,000	F & A	108¼	Oct. 27,'04	108¼	108	127,000
• registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	95⅛	Sept. 30,'04	....	....	....
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01	....	....	....
Little Rock & Ft. Smith 1st 7's.	1905	3,000,000	J & J	....	....	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	102⅛	Aug. 8,'04	....	....	....
• 2d extended g. 5's	1938	2,573,000	F & A	116	Oct. 20,'04	116	116	5,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,799,000	A & O	116	Oct. 31,'04	116¼	114⅞	99,000
• stamped gtd gold 5's	1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
• unify'g & rfd'g g. 4's.	1929	27,563,000	J & J	93⅛	Oct. 31,'04	93¾	92	198,000
• registered			J & J	87¼	Apr. 23,'04	....	....	....
• Riv&Gulf divs 1stg 4s.	1933	16,690,000	M & N	96	Oct. 28,'04	96	95⅛	73,000
• registered			M & N	....	....	....	....	....
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111⅛	Mar. 8,04'	....	....	....
• small		226,000	J & J	90	Feb. 4,'03	....	....	....
• mtg. g. 4's	1945	700,000	J & J	91	Feb. 25,'04	....	....	....
• small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's.	1946	1,882,000	J & D	102	July 25,'02	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	128	Oct. 24,'04	128⅛	128	13,000
• 1st extension 6's	1927	974,000	J & D	121	Apr. 23,'04	....	....	....
• gen. g. 4's	1938	9,472,000	Q J	94⅛	July 8,'04	....	....	....
• Montg'rydiv.1st g.5's.	1947	4,000,000	F & A	114¾	Sept. 24,'04	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	90	Apr. 13,'04	....	....	....
• collateral g. 4's	1930	2,494,000	Q F	92⅛	July 29,'04	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	122⅛	Oct. 25,'04	122⅛	122⅛	3,000
• 1st cons. g. 5's	1928	7,566,000	A & O	113¾	Oct. 19,'04	113¾	113⅛	12,000
• 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'91	....	....	....
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	113⅛	June 9,'04	....	....	....
• 1st 6's T. & Pb	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat'R.R. of Mex. priorlien g. 4½'s.	1926	20,000,000	J & J	102¼	Aug. 12,'04	....	....	....
• 1st con. g. 4's	1951	22,000,000	A & O	80	Oct. 31,'04	80¼	76⅛	765,000
NO. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug. 13,'94	....	....	....

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			Price.	*Date.*	*High.*	*Low.*	*Total.*
N.Y. Cent. & Hud. R. g. mtg. 3½s.1997	70,867,000	J & J	100¼	Oct. 28,'04	100½	100	491,000
" " registered......		J & J	100	Sept.21,'04	....	....	....
" debenture g. 4's..1890-1905	5,094,000	J & D	101	Aug.15,'04	....	....	....
" registered................		J & D	99	Dec. 12,'02	....	....	....
" deb. cert. ext. g. 4's...1905	3,581,000	M & N	100½	Oct. 10,'04	100½	100½	500
" registered................		M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s..........1998	90,578,000	F & A	90¾	Oct. 31,'04	91	90	347,000
" registered................		F & A	89¼	Oct. 31,'04	89¾	89	14,000
Michigan Central col. g. 3½s..1998	19,336,000	F & A	89½	Oct. 29,'04	89½	88⅝	149,000
" registered................		F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's........1936	5,000,000	J & J	105⅛	July 7,'04	....	....	....
" registered		J & J	102	Mar. 31,'03	....	....	....
" 2d gtd. g. 5's...........1936	500,000	J & J	....	....	....	....	....
" registered	....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s..1951	3,500,000	A & O	....	....	....	....	....
" registered................		A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's 1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A. 1940	716,000	J & J	87½	June 23,'04	....	....	....
" small bonds series B......	33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's. 1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's. 1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's. 1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates...........		F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's. 1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's..1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's. 2361	50,000,000	J & J	109	Oct. 28,'04	109¼	109	73,000
" registered................		J & J	108½	Oct. 27,'04	109	108¼	43,000
Lake Shore g 3½s..............1997			101	Oct. 28,'04	101⅜	100¾	204,000
" registered	50,000,000	J & D	100⅝	Oct. 7,'04	100⅝	100⅝	1,000
" deb. g. 4's 1928	40,000,000	M & S	100⅛	Oct. 31,'04	100¼	99¾	935,000
Detroit, Mon. & Toledo 1st 7's. 1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's...1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	121	Nov.21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's..1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's............1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's.. 1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's..............1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's.......................1931	3,576,000	M & S	121	Oct. 18,'04	121	121	5,000
" 5's reg..................1931		Q M	121	July 20,'04	....	....	....
" 4's.......................1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg.....................		J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.............	1,900,000	M & S			....	....	....
" 1st g. 3½'s.............1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's...1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c..1900	12,000,000	M & N	100	Sept.24,19'	....	....	....
" 7's registered..........1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's.....1927	1,200,000	A & O	115½	Sept. 1,'04	....	....	....
R. W. & Og. con. 1st ext. 5's...1922	9,081,000	A & O	119½	Aug.24,'04	....	....	....
coup. g. bond currency..........		A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's. 1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's. 1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's..1922	1,800,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's...1937	19,425,000	A & O	104½	Oct. 28,'04	105	104	12,000
" registered..................		A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.							
Housatonic R. con. g. 5's.......1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's 1918	575 000	M & N	115¼	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's....1905	6,000,000	J & J	101⅞	Apr. 20,'03	....	....	....
" 1st 6's.................1905	4,000,000	J & J	101	Sept. 8,'03	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's. 1992	17,937,000	M & S	105	Oct. 31,'04	105	103	102,000
" registered.......$5,000 only.	....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's....1941	1,590,000	M & N	110½	Oct. 20,'04	110½	110	20,000
Norfolk & Western gen. mtg. 6's. 1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
" imp'ment and ext. 6's...1934	5,000,000	F & A	127	Nov.28,'03	....	....	....
" New River 1st 6's.. 1932	2,000,000	A & O	132¾	Aug. 2,'04	....	....	....
Norfolk & West. Ry 1st con. g. 4s. 1996		A & O	100⅞	Oct. 31,'04	101	100	314,000
" registered.........	39,710,500	A & O	99¾	June 18,'03	....	....	....
" small bonds.................		A & O	....	....	....	....	....
" Pocahon C.&C.Co. jt. 4's. 1941	20,000,000	J & D	95	Oct. 27,'04	95½	94¼	696,000
" C. C. & T. 1st g. t. g 5's 1922	600,000	J & J	112	Aug.25,'04	....	....	....
" Sci'o Val & N.E. 1st g. 4's. 1989	5,000,000	J & N	103	Oct. 20,'04	103	102¾	49,000

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	OCTOBER SALES. High.	Low.	Total.
N. P. Ry prior lien ry.&ld.gt.g.4's..	1997	101,392,500	Q J	105	Oct. 31,'04	105⅛	104¼	452,500
" registered			Q J	104⅛	Oct. 28,'04	104⅝	102¼	121,000
" gen. lien g. 3's	2047	56,000,000	Q F	75⅛	Oct. 31,'04	75¾	74⅝	341,500
" registered			Q F	75¼	Oct. 19,'04	75¼	75¼	1,000
St. Paul & Duluth div. g. 4's...	1996	7,897,000	J & D	97½	Aug.16,'04			
" registered			J & D					
St. Paul & N. Pacific gen g. 6's.	1923	7,985,000	F & A	125	Oct. 14,'04	125	125	8,000
" registered certificates			Q F	132	July 28,'93			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¾	July 21,'03			
" 2d 5's	1917	2,000,000	A & O	105⅛	Apr. 11,'04			
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Aug.22,'04			
Washington Cen. Ry 1st g. 4's..	1948	1,538,000	QMCH	94	Aug.16,'04			
Nor. Pacific Term. Co. 1st g. 6's..	1933	3,614,000	J & J	118	Oct. 21,'04	118	118	2,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	117¼	Oct. 19,'04	117¼	115⅛	15,000
" gen. mortg. g 6's	1937	2,428,000	A & O	118⅛	Sept.24,'04			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	111¼	Oct. 26,'04	111¼	111¼	5,000
Panama 1st sink fund g. 4½'s....	1917	2,371,000	A & O	102¾	June16,'03			
" s. f. subsidy g 6's	1910	837,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	109¼	Oct. 26,'04	110	109¼	29,000
" reg	1921		J & J	105¾	June25,'04			
" gtd.3½ col.tr.reg.cts..	1937	4,895,000	M & S	98	July 16,'04			
" gtd.3½ col.tr.cts.ser B	1941	9,687,000	F & A	92¼	Dec. 28,'03			
" Trust Co. ctfs. g. 3½'s.	1916	17,882,000	M & N	99¼	Oct. 27,'04	99¼	99¼	14,000
Chic., St. Louis & P. 1st c. 5's..	1932	1,506,000	A & O	118	Oct. 27,'04	118	118	2,000
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J					
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,983,000	F & A	96	Jan. 8,'04			
E.&Pitts. gen.gtd.g.3½s Ser. B..	1940	2,240,000	J & J	102	Nov. 7,19'			
" " " C..	1940	1,479,000	J & J	98¾	Apr. 4,'04			
Newp.& Cin. Bge Co. gtd g. 4's..	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	110½	Aug. 3,'04			
" Series B gtd	1942	8,786,000	A & O	111¾	Oct. 21,'04	111¾	111¾	1,000
" Series C gtd	1942	1,379,000	M & N	110	Aug.17,'01			
" Series D gtd. 4's	1945	4,983,000	M & N	104⅛	Oct. 6,'04	104⅛	104⅛	3,000
" Series E gtd. g. 3½s...	1949	10,421,000	F & A	93½	Sept.28,'04			
Pitts., Ft. Wayne & C. 1st 7's..	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy.&O.1st gtd.bds 4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's...	1923	1,675,000	M & N	105	Mar. 26,'04			
con. sterling gold 6 per cent...	1905	22,762,000	J & J					
con. currency, 6's registered...	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S	111⅛	Sept.21,'04			
" registered			Q M					
con. gold 4 per cent	1943	2,797,000	M & N	106	Aug.28,'03			
" ten year conv. 3½'s..	1912	20,694,500	M & N	103	Oct. 31,'04	103	99¾	1,175,500
Allegh. Valley gen. gtd. g. 4's...	1942	5,889,000	M & S	110	Aug.28,19'			
Belvedere Del. con. gtd. 3½'s..	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del.R. RR.& BgeCo 1stgtdg.4's.	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	110	Oct. 6,'04	110	110	2,000
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N					
" registered			M & N					
Pitts.Va.&Charl.Ry1stgtdg.4's.	1943	6,000,000	M & N					
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J					
U'd N.J. RR. & Can Co. g 4's...	1944	5,646,000	M & S	110½	Sept.28,04'			
Peoria & Pekin Union 1st 6's....	1921	1,495,000	Q F	121	May 14,'04			
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr.28,'02			
Flint & Pere Marquette g. 6's..	1920	3,999,000	A & O	12[illegible]	Oct. 18,'04	102⅛	102⅛	6,000
" 1st con. gold 5's	1939	2,850,000	M & N	111⅛	Sept. 6,'04			
" Port Huron 1st g 5's.	1939	3,325,000	A & O	112¼	Oct. 21,'04	112¼	112¼	8,000
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			
Pittsburg Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112⅛	Dec. 18,'93			
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	114⅛	Sept. 2,'04			
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'			

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Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	117⅛	Oct. 24,'04	117⅛	117⅛	3,000
Reading Co. gen. g. 4's..........1997	66,232,000	J & J	102	Oct. 31,'04	102	100¾	858,000
" registered..................		J & J	99¼	Oct. 31,'04	99¼	99¼	1,000
" Jersey Cent. col. g. 4's..1957	23,000,000	......	96	Oct. 31,'04	96	94⅝	288,000
" " registered.....	....	......	....	....	....	....	....
Atlantic City 1st con. gtd. g. 4's.1951	1,063,000	M & N	....	....	....	....	....
Philadelphia & Reading con. 6's.1911	7,304,000	J & D	....	....	....	....	....
" registered..................	663,000	J & D	....	....	....	....	....
" 7's........................1911	7,810,000	J & D	119¼	Apr. 2,'04	....	....	....
" " registered...............	3,339,000	J & D	....	....	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's, 1939	2,000,000	J & D	111⅛	July 28,'04	....	....	....
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	68	June 27,'04	....	....	....
" guaranteed..............	2,277,000	......	87½	Sept. 7,'04	....	....	....
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb. & L. Ch'n. Ry. 1st gtd g4s1948	4,400,000	J & J	....	....	....	....	....
Rutland Canadian 1st gtd. g. 4's.1949	1,350,000	J & J	101¼	Nov. 18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 3.342.......1947	3,500,000	J & J	92	Oct. 29,'04	93	91	18,000
St. L. & Adirondack Ry. 1st g. 5's.1996	800,000	J & J	....	....	....	....	....
" 2d g. 6's...............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	106⅛	Oct. 31,'04	106⅛	106⅛	6,000
" 2d g. 6's. Class C......1906	829,000	M & N	103⅝	June 24,'04	....	....	....
" gen. g. 6's............1931	3,681,000	J & J	126	Sept. 9,'04	....	....	....
" gen. g. 5's............1931	5,303,000	J & J	112⅛	Oct. 21,'04	112⅛	112⅛	1,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	98⅛	Oct. 14,'04	98⅛	98⅛	1,000
" S. W. div. g. 5's........1947	829,000	A & O	100	Jan. 21,'04	....	....	....
" refunding g. 4's.......1951	58,997,000	J & J	86⅛	Oct. 31,'04	87	86	1,250,000
" " registered...		J & J	....	....	....	....	....
" 5 year 4½'s gold notes.1908	5,728,000	J & D	94	Oct. 13,'04	94	94	1,000
Kan. Cy Ft. S. & Mem RR con g 6's 1928	13,736,000	M & N	122⅛	Aug. 22,'04	....	....	....
Kan. Cy Ft. S & M Ry ref g gtd g 4s.1936	16,156,000	A & O	85⅞	Oct. 31,'04	86¼	84	494,000
" registered..............		A & O	78⅛	Jan. 14,'04	....	....	....
Kan. Cy & M. R. & B. Co. 1st gtd g 5s.1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	100	Oct. 31,'04	100⅛	98⅛	242,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	85	Oct. 25,'04	85	82⅛	41,000
" con. g. 4's...............1932	12,054,000	J & D	80¾	Oct. 31,'04	81	79¾	1,270,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	7,154,000	A & O	109¾	Oct. 26,'04	109¾	109⅛	3,000
" 1st con. 6's...........1933	13,344,000	J & J	134⅝	Oct. 31,'04	134⅝	134⅝	1,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	19,292,000	J & J	112¾	Oct. 15,'04	112¾	111¼	24,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,462,000	M & N	111¾	Sept. 6,'04	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	104	Oct. 26,'04	104	103¾	7,000
" registered..............		J & D	106	May 6,'01	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's..1908	4,700,000	A & O	102⅝	Oct. 25,'04	102⅝	102⅝	1,000
" registered..............		A & O	....	....	....	....	....
" Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....	....	....	....	....
" registered..............		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Apr. 25,'04	....	....	....
" 1st 6's, registered.........		J & J	115	Apr. 24,'97	....	....	....
" 1st g. g. 5's........... 1937	4,000,000	J & J	116¾	Sept. 1,'04	....	....	....
" registered..............		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
" registered..............		J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....	....	....	....	....
San Fe Pres. & Phoe. Ry. 1st g. 5's, 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	81	Oct. 29,'04	81¼	80	183,000
" registered..............		A & O	....	....	....	....	....
" col. trust refdg g. 5's..1911	10,000,000	M & N	104	Oct. 31,'04	104	102⅞	95,000
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	92¼	Aug. 10,'04	....	....	....
Fla Cent & Peninsular 1st g. 5's.1918	3,000,000	J & J	100	Sept. 6,'99	....	....	....
" 1st land grant ext g. 5's.1930	410,000	J & J	....	....	....	....	....
" cons. g. 5's.............1943	4,370,000	J & J	104¾	July 18,'04	....	....	....
Georgia & Alabama 1st con. 5's.1945	2,922,000	J & J	109⅛	Oct. 17,'04	109¾	109¼	16,000
Ga. Car. & Nthern 1st gtd g. 5's.1929	5,360,000	J & J	109	Sept. 2,'04	....	....	....
Seaboard & Roanoke 1st 5's....1926	2,500,000	J & J	....	....	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03	....	....	....
Southern Pacific Co.							
" 2-5 year col. trust g. 4½'s.1905	30,000,000	J & D	102⅛	Oct. 31,'04	102⅛	101⅝	114,000
" g. 4's Central Pac. coll..1949	28,818,500	J & D	94⅛	Oct. 31,'04	94⅞	93¾	232,500
" " registered......		J & D	94¼	Aug. 17,'04	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	113⅝	Oct. 12,'04	113⅝	113¼	20,000
Cent. Pac. 1st refud. gtd. g. 4's..1949	70,496,000	F & A	102	Oct. 31,'04	102⅛	100⅛	645,000
" registered..............		F & A	99¼	Mar. 5,'93	....	....	....

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• mtge. gtd. g. 3½'s	1929	17,685,500	J & D	88¾	Oct. 31,'04	88¾	88⅝	184,000
• • registered			J & D					
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	109½	Oct. 21,'04	109½	109½	7,000
• 2d g 7's	1905	1,000,000	J & D	108	Sept. 20,'04			
• Mex. & P. div 1st g 5's	1931	13,418,000	M & N	112⅞	Oct. 15,'04	112⅞	112⅞	5,000
Gila Val. G. & N'n 1st gtd g 5's	1924	1,514,000	M & N	110	Oct. 27,'04	110¼	108½	65,000
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	107¼	Oct. 18,'04	107¼	106¼	4,000
• 1st gtd. g. 5's	1933	2,199,000	M & N	108½	July 7,'04			
Houst. & T.C. 1st g 5's int. gtd.	1937	5,267,000	J & J	112¼	Oct. 5,'04	112¼	112¼	1,000
• con. g 6's int. gtd	1912	2,566,000	A & O	113	Sept. 12,'04			
• gen. g 4's int. gtd	1921	4,275,000	A & O	96	Sept. 19,'04			
• W & N wn. div. 1st. g. 6's	1930	1,105,000	M & N	127½	Feb. 27,'02			
Louisiana Western 1st 6's	1921	2,240,000	J & J					
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	121	May 6,'04			
• 1st 7's	1918	5,000,000	A & O	130	Apr. 26,'04			
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O					
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept. 14,'04			
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01			
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	100	Jan. 8,'04			
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	88	Oct. 31,'04	90	87½	783,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	109⅝	Sept. 9,'04			
• • •	1910	4,000,000	J & J	110⅝	Oct. 12,'04	110⅝	110⅝	5,000
• of Cal. 1st g 6's ser. A	1905	29,187,500	A & O	100⅝	Oct. 8,'04	100⅝	100⅝	1,500
• • • ser. B	1905		A & O	102	Oct. 22,'03			
• • • C. & D.	1906		A & O	104¾	Sept. 14,'04			
• • • E. & F.	1902		A & O	113	Oct. 22,'04	113	112½	3,000
• • •	1912		A & O	116	June 29,'04			
• 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04			
• stamped	1905-1937	21,470,000		110¼	Oct. 17,'04	110¼	110	9,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J					
• of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Sept. 19,'04			
Tex. & New Orleans 1st 7's	1905	862,000	F & A	103	Oct. 3,'04	103	103	5,000
• Sabine div. 1st g 6's	1912	2,575,000	M & S	109	Sept. 13,'04			
• con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04			
Southern Railway 1st con. g 5's	1994	40,525,000	J & J	118¼	Oct. 31,'04	118¾	117¼	823,000
• registered			J & J	110	Feb. 29,'04			
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	96	Oct. 28,'04	96	95½	30,000
• registered			M & S					
• Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	115½	Oct. 4,'04	115½	115½	1,000
• registered			J & J					
• St. Louis div. 1st g. 4's	1951	11,250,000	J & J	98½	Oct. 27,'04	99	97¼	19,000
• • registered			J & J					
Alabama Central, 1st 6's	1918	1,000,000	J & J	117½	Apr. 20,'04			
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96½	Oct. 10,'04	96½	96½	4,000
• 2d mtg	1948	775,000	J & J	90	Sept. 27,'04			
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O					
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04			
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116½	Oct. 22,'04	116½	116	10,000
• con. 1st g 5's	1956	12,770,000	M & N	121½	Oct. 31,'04	121¾	120¾	47,000
• reorg. lien g 4's	1938	4,500,000	M & S	111¼	Oct. 3,'04	111¼	111¼	10,000
• registered			M & S					
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	122¼	Oct. 28,'04	122¼	122¼	8,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	125	Sept. 27,'04			
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	118	Oct. 31,'04	118	117¼	12,000
• deb. 5's stamped	1927	3,368,000	A & O	112½	Sept. 14,'04			
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	87½	July 26,'04			
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	110⅛	Oct. 26,'04	110⅛	109	31,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	108	Mar. 29,'04			
• small			M & S					
• ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03			
• small			M & S					
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02			
• small			M & S					
• ser. D 4-5's	1921	950,000	M & S	109	Oct. 31,'04	109	109	4,000
• small			M & S					
• ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04			
• small			M & S					
• ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03			
Virginia Midland gen. 5's	1936	2,392,000	M & N	117	Oct. 12,'04	117	117	4,000
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04			
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03			
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115¾	Sept. 21,'04			
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'			
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	104½	Sept. 2,'02			
Ter. R. R. Assn. St. Louis 1 g 4½'s	1939	7,000,000	A & O	114½	Dec. 1,'03			
• 1st con. g. 5's	1894-1944	5,000,000	F & A	118	Oct. 27,'04	118½	118	2,000
• gn. refdg. sg. fd. g. 4's	1953	18,000,000	J & J	100½	Oct. 19,'04	100¼	100¼	40,000
• " " registered.			J & J					

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NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
St. L. Mers. bdg. Ter. gtd g. 5's...1930	3,500,000	A & O	112½	July 29,'04	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th } 1905	2,741,000	M & S	100	Sept. 2,'04	....	....	....
" 1st gold 5's..............2000	22,234,000	J & D	120½	Oct. 26,'04	122	120	49,000
" 2d gold income, 5's......2000	963,000	MAR.	93½	Oct. 20,'04	93¾	92	47,000
" La. Div.B.L. 1st g.5's...1931	4,241,000	J & J	109½	Aug. 5,'04	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's..........1930	500,000	F & A	105¾	Oct. 7,'04	105¾	105¾	2,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	114	Sept.13,'04	....	....	....
" 1st M. g 5's West. div...1935	2,500,000	A & O	111	May 31,'04	....	....	....
" gen. g. 5's.... 1935	2,000,000	J & D	107	Sept. 8,'04	....	....	....
" Kanaw & M. 1st g. g. 4's.1990	2,469,000	A & O	96	Oct. 26,'04	96	96	11,000
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	92	Oct. 19,'04	92	90	83,000
Tol., St.L.& Wn. prior lien g 3½'s.1925	9,000,000	J & J	90⅝	Oct. 31,'04	90⅝	89¾	58,000
" registered..................		J & J	....	....	....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	81⅜	Oct. 31,'04	82¼	78¼	365,000
" registered..................		A & O	....	....	....	....	....
Toronto, Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	95¼	Sept.16,'03	....	....	....
Ulster & Delaware 1st c. g 5's....1928	2,000,000	J & D	112½	Oct. 31,'04	112½	111½	8,000
" 1st ref. g. 4's............1952	700,000	A & O	93	Oct. 5,'04	93	93	1,000
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	105	Oct. 31,'04	105⅛	104¾	683,000
" registered................		J & J	104⅛	Oct. 31,'04	104⅛	103⅛	45,000
" 1st lien con. g. 4's......1911	87,256,000	M & N	111⅞	Oct. 31,'04	114⅝	106¼	40,769,000
" registered................		M & N	110	Oct. 28,'04	110	110	1,000
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	103¼	Oct. 31,'04	103⅜	103	128,000
Oreg. Short Line Ry. 1st g. 6's.1922	14,931,000	F & A	125	Oct. 28,'04	125	124	57,000
" 1st con. g. 5's.1946..........	12,828,000	J & J	118	Oct. 28,'04	118⅜	117¼	106,500
" 4's&participat'g g.bds.1927	41,000,000	F & A	104	Oct. 31,'04	104¼	98¾	2,552,000
" registered................		F & A	95¼	Apr. 13,'04	....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's 1926	1,842,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	106	Sept.27,'04	....	....	....
Wabash R.R. Co., 1st gold 5's....1939	33,011,000	M & N	119	Oct. 26,'04	119	118	89,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	110	Oct. 25,'04	110½	109½	10,000
" deben. mtg series A...1939	3,500,000	J & J	95	July 21,'04	....	....	....
" series B.................1939	26,500,000	J & J	65¾	Oct. 31,'04	68⅝	64¾	7,905,000
" first lien eqpt. fd.g. 5's.1921	2,755,000	M & S	102	Jan. 13,'04	....	....	....
" 1st lien 50 yr.g.term4's.1954	1,416,000	J & J	....	....	....	....	....
" 1st g.5's Det.& Chi.ex..1940	3,349,000	J & J	112	Oct. 31,'04	112	110⅛	7,000
" Des Moines div.1st g.4s.1939	1,600,000	J & J	90	Feb. 20,'04	....	....	....
" Omaha div. 1st g. 3½s..1941	3,000,000	A & O	83⅝	Aug.11,'04	....	....	....
" Tol. &Chic.div.1stg.4's.1941	3,000,000	M & S	98	Mar.17,'02	....	....	....
St. L., K.C.& N.St.Chas. B.1st6's1908	463,000	A & O	109½	Mar. 18,'03	....	....	....
Western Maryland 1st 4's... 1952	28,760,000	A & O	87½	Oct. 31,'04	88	84	619,000
Western N.Y, & Penn. 1st g. 5's..1937	9,990,000	J & J	117¾	Oct. 8,'04	117¾	117½	10,000
" gen g. 3-4's..............1943	9,789,000	A & O	96⅝	Sept.19,'04	....	....	....
" inc. 5's.... 1943	10,000,000	Nov.	40	Mar.21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	112	Sept.20,'04	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	112	Apr. 18,'04	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	110¼	May 17,'04	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	110	Mar. 6,'03	....	....	....
" 20 year eqptmt s.f.g.5's.1922	2,152,000	J & J	100½	Aug. 1,'04	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,618,000	M & S	90⅞	Oct. 26,'04	91¼	90¼	133,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,743,000	J & J	92	Oct. 28,'04	93	90¾	105,000
Mil. & L. Winnebago 1st 6's.....1912	1,430,000	J & J	....	....	....	....	....
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	107½	Oct. 31,'04	107½	104⅞	70,000
" 1st ref. conv. g. 4's....2002	10,000,000	J & J	84	Oct. 31,'04	85	80¾	3,606,000
" " registered........		J & J	....	....	....	....	....
" City R. R. 1st c. 5's 1916.1941	4,373,000	J & J	109¼	Oct. 25,'04	109¼	108¾	13,000
" Qu. Co. & S. c. gd.g. 5's.1941	2,255,000	M & N	106	Sept. 7,'04	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	108½	Oct. 31,'04	108⅛	107½	223,000
" stamped guaranteed......		......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	92¾	Oct. 31,'04	93	91	285,000
" stamped guaranteed ...		......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	88¾	Oct. 31,'04	89⅞	87½	596,000
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	8,355,000	J & J	98	Sept.24,'04	....	....	....
Denver Con. T'way Co. 1st g. 5's. 1933	730,000	A & O	97½	June13.19'		....	....
Denver T'way Co. con. g. 6's....1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's. 1911	918,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's........1916	2,750,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's. 1930	4,900,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's. 1913	3,000,000	J & J	....	....	....	....	....

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Metro. St. Ry N.Y.g. col. tr.g.5's	1997	12,500,000	F & A	118¼	Oct. 28,'04	118⅞	116	102,000
" refunding 4's	2002	15,134,000	A & O	92	Oct. 31,'04	93	90¼	434,000
B'way & 7th ave. 1st con. g. 5's,	1943	7,650,000	J & D	116½	Sept. 1,'04	....	....	....
" registered			J & D	119½	Dec. 3,19'	....	....	....
Columb. & 9th ave. 1st gtd g 5's,	1993	3,000,000	M & S	117	Oct. 8,'04	117	117	1,000
" registered			M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	115⅝	Sept. 20,'04	....	....	....
" registered			M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's	2000	36,943,000	J & J	96¾	Oct. 31,'04	96⅝	96¼	176,000
" registered			J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's	1937	5,000,000	J & J	117⅛	Oct. 4,'04	117⅛	117⅛	2,000
Met. West Side Elev. Chic. 1st g.4's	1938	9,808,000	F & A	94	June 2,'04	....	....	....
" registered			F & A	....	....	....	....	....
Mil. Elec. R.& Light con. 30 yr. g.5's	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	110	June 28,'01	....	....	....
St. Jos. Ry. Lig't, Heat & P. 1st g.5's	1937	3,500,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's	1937	2,480,000	J&J15	110	July 8'04	....	....	....
" gtd. gold 5's	1937	1,138,000	J & J	113	Nov. 28,'99	....	....	....
Union Elevated (Chic.) 1st g.5's	1945	4,387,000	A & O	109½	Dec. 14,'99	....	....	....
United Railways of St. L. 1st g.4's	1934	28,292,000	J & J	83¾	Oct. 20,'04	83¾	83¾	10,000
United R. R. of San Fr. s. fd. 4's	1927	20,000,000	A & O	85	Oct. 31,'04	85¼	82¾	699,000
West Chic. St. 40 yr. 1st cur. 5's	1928	3,969,000	M & N	....	....	....	....	....
" 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....

MISCELLANEOUS BONDS.

NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	*Price.*	*Date.*	*High.*	*Low.*	*Total.*
Adams Express Co. col. tr. g. 4's	1948	12,000,000	M & S	103¼	Oct. 31,'04	106¼	102¼	44,500
Am. Steamship Co. of W.Va.g.5's	1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn. Ferry Co. of N.Y. 1st c.g.5's	1948	6,500,000	F & A	60	Oct. 17,'04	60	60	3,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	111	Sept. 30,'03	....	....	....
Der. Mac. & Ma. ld. gt. 3½'s sem. an.	1911	1,655,000	A & O	80	Sept. 23,'04	....	....	....
Hackensack Water Co. 1st 4's	1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's	1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuildng & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's	1951	11,580,000	F & A	91	Oct. 10,'04	91	91	6,000
" registered			F & A	....	....	....	....	....
Provident L. Soc. of N.Y. g.4's	1921	1,000,000	M & S	....	....	....	....	....
St. Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	....	....	....	....	....
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20	1917	3,000,000	J & D	....	....	....	....	....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series E 4's	1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's	1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's	1903-1918	1,000,000	F & A	....	....	....	....	....
" H 4's	1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's	1904-1919	1,000,000	F & A	....	....	....	....	....
" J 4's	1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's	1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds		....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.								
Am. Cotton Oil deb. ext. 4½'s	1915	2,919,000	......	100	Oct. 27,'04	100	99⅝	9,000
Am. Hide & Lea. Co. 1st s. f. 6's	1919	7,863,000	M & S	87	Oct. 27,'04	87	86	60,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	94⅞	Oct. 29,'04	94⅞	88	37,000
Am. Thread Co., 1st coll. trust 4's	1919	6,000,000	J & J	86	Oct. 29,'04	86	83	32,000
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	105	Jan. 10,19'	....	....	....
Consol. Tobacco Co. 50 year g. 4's	1951	157,378,200	F & A	74⅛	Oct. 31,'04	76⅝	72¾	11 992,000
" registered			F & A	74	Oct. 26,'04	74	73	12,500
Dis. Secur. Cor. con. 1st g. 5's	1927	13,379,000	A & O	73⅛	Oct. 31,'04	74⅛	68	2,056,000
Dis. Co. of Am. coll. trust g 5's	1911	2,530,000	J & J	99	Sept. 16,'03	....	....	....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's	1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....
Internat'l Paper Co. 1st con. g 6's	1918	9,724,000	F & A	109½	Oct. 29,'04	109½	109	54,000
Int. Steam Pump 10 year deb. 6's	1913	2,500,000	J & J	103⅝	Oct. 26,'04	103¼	102⅞	62,000
Knick'r'ker Ice Co. (Chic) 1st g 5's	1928	1,937,000	A & O	97½	Oct. 6,'03	97½	97½	10,000
Lack. Steel Co., 1st con. g. 5's	1923	15,000,000	A & O	102	Oct. 29,'04	102	100	129,000
Nat. Starch Mfg. Co., 1st g 6's	1920	2,853,000	J & J	90	Sept 30,'04	....	....	....
Nat. Starch. Co's fd. deb. g. 5's	1925	4,187,000	J & J	70	Oct. 31,'04	70	63	17,000
Standard Rope & Twine 1st g. 6's	1946	2,740,000	F & A	40½	Oct. 8,'04	40½	39½	10,000
Standard Rope & Twine inc. g. 5s	1946	6,806,000	......	3½	Oct. 31,'04	4	3½	74,000
United Fruit Co., con. 5's	1911	2,446,000	M & S	....	....	....	....	....

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MISCELLANEOUS BONDS—*Continued*.

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	*Date.*	OCTOBER SALES. *High.*	*Low.*	*Total.*
U. S. Env. Co. 1st sk. fd. g. 6's...1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	113¼	Oct. 28,'04	113¼	112½	26,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	75¼	Oct. 28,'04	75¼	71½	15,000
U.S. Realty & Imp.con.deb.g.5's.1924	18,198,900	......	89½	Oct. 31,'04	92	89¼	448,000
U.S. Shipbldg.1st & fd g.5's ser.A.1932	14,500,000	J & J	28	Feb. 5,'04	....	....	....
" collat. and mge. 5's..1932	10,000,000	F & A	91	Jan. 15,'03	....	....	....
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	....	M & N	87⅝	Oct. 31,'04	88¼	82¾	17,455,000
" " " reg. 1963	170,000,000	M & N	86	Oct. 31,'04	86	82¼	89,500
BONDS OF COAL AND IRON COS.							
Col. Fuel & Iron Co. g.s.fd.g 5's..1943	5,355,000	F & A	102	Oct. 31,'04	102	100	92,000
" conv. deb. g. 5's 1911	1,710,000	F & A	90	Oct. 28,'04	90	80	17,000
" " registered............		F & A	....	....	....	....	....
" " Trust Co. certfs......	12,358,000	......	81⅛	Oct. 31,'04	83	78	1,177,000
Col. C'l & I'n Dev.Co. gtd g.5's..1909	700,000	J & J	55	Nov. 2,'19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's.........1919	640,000	M & N	107¼	Oct. 7,'04	107¼	107¼	3,000
Grand Riv. C'l & C'ke 1st g. 6's.1919	949,000	A & O	102½	July 26,'02	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	107⅞	Oct. 29,'04	107⅝	106⅝	123,000
Jeff. & Clearf. Coal & Ir. 1st g. 5's1926	1,588,000	J & D	105½	Oct. 10,'98	....	....	....
" 2d g. 5 s..................1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	3,000,000	J & J	105	Oct. 24,19'	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,146,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	835,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,000,000	J & J	95	Oct. 25,'04	96	92	21,000
" Tenn. div. 1st g. 6's......1917	1,182,000	A & O	110	Sept.24,'04	....	....	....
" Birmingh. div. 1st con.6's1917	3,637,000	J & J	112⅞	Oct. 25,'04	112⅞	112⅞	1,000
Cahaba Coal M. Co., 1st gtd.g.6's1922	892,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's1910	2,729,500	F & A	104¼	Oct. 3,'04	104¼	104¼	10,000
Utah Fuel Co. 1st s. f. g. 5's.......1931	866,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,433,000	M & S	78	Oct. 31,'04	78	73	127,000
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,498,000	M & N	117	Oct. 31,'04	117¼	116¼	9,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	69	Oct. 22,'04	70	68	12,000
Columbus Gas Co., 1st g. 5's.......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..1909	12,823,500	J & J	188¼	Oct. 31,'04	192¾	186¼	2,141,000
Detroit City Gas Co. g. 5's........1923	5,608,000	J & J	99	Oct. 18,'04	100	98⅞	29,000
Detroit Gas Co. 1st con.g.5's......1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co.of N.Y.1st con.g.5's.1932	3,500,000	M & S	112	Nov.11,'03	....	....	....
Gas. & Elec.of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	89¼	Oct. 17,'04	89¼	89¼	2,000
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's.....1949	9,180,000	M & N	109	Oct. 12,'04	109	109	2,000
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	100	Oct. 18,'04	100	100	2,000
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,010,000	J & J	122¼	Aug.30,'04	....	....	....
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	96¼	Oct. 7,'04	96¼	96	72,000
Lac. Gas L't Co. of St. L. 1st g.5's.1919	10,000,000	Q F	110	Oct. 27,'04	110¼	109½	17,000
" small bonds............			97¼	Nov. 1,'95	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	6,000,000	M & N	90¼	July 30,'04	....	....	....
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	....	....	....	....	....
N.Y.GasEL.H&PColstcol tr g 5's.1948	15,000,000	J & D	110¾	Oct. 18,'04	111	110	111,000
" registered..............		J & D	....	....	....	....	....
" purchase mny col tr g 4's.1949	20,927,000	F & A	94¾	Oct. 31,'04	94⅞	94⅛	140,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105¾	July 29,'04	....	....	....
" 1st con. g. 5's...........1995	2,156,000	J & J	120½	June27,'04	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	101	May 11,'04	....	....	....
N.Y.& RichmondGasCo.1stg. 5's.1921	1,000,000	M & N	100	Mar. 15,'04	....	....	....
Paterson&Pas. G.&E. con.g.5's..1949	3,817,000	M & S	....	....	....	....	....
Peop's Gas & C. Co. C. 1st g. g 6's.1904	2,100,000	M & N	102½	Oct. 24,'04	102½	102½	1,000
" 2d gtd. g. 6's............1904	2,500,000	J & D	101¾	Aug. 2,'04	....	....	....
" 1st con. g 6's............1943	4,900,000	A & O	128	Oct. 24,'04	128	128	6,000
" refunding g. 5's........1947	2,500,000	M & S	103	Apr. 9,'04	....	....	....
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	109	Oct. 31,'04	109	108	6,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	107	Oct. 19,'04	107¼	107	7,000
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	102¼	Sept.10,'04	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	102½	Oct. 27,'04	102½	101¼	51,000
" registered..	....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g.5's.1949	1,500,000	M & S	109	Feb. 8,'01	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	1,000,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's.1950	5,360,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME. Principal Due.	Amount.	Int't paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High	October Sales. Low.	October Sales. Total.
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	38,000,000	J & J	94	June30,'04	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	10,638,200	Q & J	100½	Apr. 8,'02	....	....	....
• registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	1,823,000	M & N	109¾	June22,'04	....	....	....
• registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110⅛	Oct. 20,'04	110⅛	110¼	20,000
• fundg & real estate g.4½'s.1950	17,000,000	M & N	106	Oct. 27,'04	106½	105⅞	92,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107	June20,'04	....	...	....
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	108	July26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME Principal Due.	Amount.	Int'st Paid.	Year 1904. High.	Year 1904. Low.	October Sales. High.	October Sales. Low.	October Sales. Total.
United States con. 2's registered...1930	542,909,950	Q J	107¼	104⅜	....	....	......
• con. 2's coupon............1930		Q J	106¼	105	105	105	1,000
• con. 2's reg. small bonds..1930		Q J	....	....	....	....	......
• con. 2's coupon small bds.1930		Q J	....	....	....	....	......
• 3's registered...........1908-18	77,135,300	Q F	106¾	104⅝	....	....	......
• 3's coupon..............1908-18		Q F	108	105¼	105¾	105¼	6,000
• 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
• 3's small bonds coupon.1908-18		Q F	107⅛	104⅞	....	....	......
• 4's registered..............1907	156,591,500	J A J&O	108¼	106⅝	106⅝	106⅝	11,000
• 4's coupon.................1907		J A J&O	108	106⅝	....	....	......
• 4's registered..............1925	118,489,900	Q F	132⅞	131⅞	....	....	......
• 4's coupon..................1925		Q F	134	131½	....	....	......
District of Columbia 3-65's...........1924	14,224,100	F & A	119¾	119¾	119¾	119¾	15,000
• small bonds....................		F & A	....	....	....	....	......
• registered....................		F & A	....	....	....	....	......
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	111¾	110¼	111	111	6,000
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	102¾	102	....	....	......
• • small............	....	....	....	....	....	....	......
• Class B 5's...................1906	575,000	J & J	....	....	....	....	......
• Class C 4's...................1906	962,000	J & J	....	....	....	....	......
• currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new ccn. 4's.................1914	10,752,800	J & J	105	102¼	....	....	......
• • small bonds..........							
Missouri fdg. bonds due.........1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............1910	3,397,350	J & J	102½	101	....	....	......
• small.........................		J & J					
• 6's.........................1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......1866-1900	556,500	J & J	....	....	....	....	......
• • 1868-1898		A & O	....	....	....	....	......
• new bonds.............1892-1898	624,000	J & J	....	....	....	....	......
• •		A & O	....	....	....	....	......
• Chatham R. R..................	1,200,000	A & O	....	....	....	....	......
• special tax Class 1.............	....	A & O	....	....	....	....	......
• • Class 2.............	....	A & O	....	....	....	....	......
• • to Western N. C. R....	....	A & O	....	....	....	....	......
• • Western R. R..........	....	A & O	....	....	....	....	......
• • Wil. C. & Ru. R........	....	A & O	....	....	....	....	......
• • Western & Tar. R.......	....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's........1913	13,122,000	J & J	97	95¼	96	96	17,000
• registered.....................	6,079,000	J & J	....	....	....	....	......
• small bond.....................	362,200	J & J	95	95	....	....	......
• redemption 4's........... 1907	469,000	A & O	....	....	....	....	......
• 4½s.........................1913	1,000,000	A & O	....	....	....	....	......
• penitentiary 4½'s.........1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Virginia fund debt 2-3's of...........1991	18,054,809	J & J	96¼	91⅛	....	....	......
" registered.....................		J & J	98	98	....	....	......
" 6's deferred cts. Issue of 1871	3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	8,716,565	....	8	6⅛	7⅛	6¾	50,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Russian Gov. State 4% Rente....	2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's...........................1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200..........................	£22,076,220	......	104⅛	97⅛	....	....	......
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......

The Acquisition of Wealth.—Hon. Lyman J. Gage, former Secretary of the Treasury, and now President of the United States Trust Co., New York city, made an address at the meeting of New York Chapter American Institute of Bank Clerks, on the evening of October 27. He dealt with the tendency on the part of many persons to denounce the wealthy, and after considering the repeated assertion that "the accumulation of large wealth must be the unfair exploitation of the community—a system of legalized robbery," he said:

"Are there honest roads to wealth? Are there any criteria which if applied will correctly inform us whether a given road to wealth is honorable or dishonorable? or neutral as to moral quality? I think there are such criteria, and I suggest the following:

First—The road or method in acquisition should not be in violation of statute law.

Second—It should not be condemned by that higher law, known as the moral law. Written statutes cannot be formulated in fine enough detail; moral principles are susceptible of universal application. The moral law must condemn any course by which wealth is sought wherein the seeker, to secure his gain, must inflict injury upon the mind, body or estate of those from whom his wealth is to be derived. Statute law may license the saloon or gambling; the moral law must condemn both.

Third—The path pursued must be agreeable to fair economic principles, which require that for every value received a value equally great to the other party shall be given in goods, services or other form of benefit.

Any avenue or road, then, which is not condemned by one or all of these principles may be approved as 'honorable.'

The past thirty years have been more prolific than any similar period in adding to the forces of production and in economizing wastes. Invention has brought in new products and new comforts. Some one has said that we have now in use among the people, serving their comfort and happiness, more than 100,000 things which were utterly unknown to our great-grandfathers.

In these fifty years wealth has increased in a degree surpassing the dreams of a Midas. Here and there, indeed, have been pirates, robbers, thieves, parasites, contributing nothing to the general good. They may be classified as counterfeiters, burglars, pickpockets, safe robbers, forgers, confidence men, gamblers, get-rich-quick swindlers, exploiters of schemes to catch the hard earnings of unsuspecting men; but these infringers of justice and equity do not all affect the general truth that wealth may be honorably acquired, nor the further and more important truth that in its acquisition so made by the individual the best good of society always has been and always will be inevitably promoted."

BANKERS' OBITUARY RECORD.

Adams.—Robert W. Adams, President of the State Exchange Bank, Lake City, Fla., and well known throughout the South, died October 14.

Adler.—Simon Adler, President of the People's Bank, Batesville, Ark., died October 5, aged seventy-two years.

Auld.—David Auld, President of the First National Bank, Atchison, Kans., died October 7, aged eighty years.

Bigelow.—Jerome L. Bigelow, Cashier of the First National Bank, Batavia, N. Y., died October 14. Mr. Bigelow had been identified with the banking interests of Batavia for a quarter of a century. He became Cashier of the Genesee County National Bank in 1883, and in January, 1884, was chosen Cashier of the First National Bank. He was about sixty-two years of age at the time of his death.

Cable.—Lawrence Cable, President of the Third National Exchange Bank, Sandusky, Ohio, died October 17, aged eighty-one years.

Case.—A. G. Case, President of the First National Bank, Charles City, Iowa, and one of the prominent bankers of northern Iowa, died October 19, aged seventy-six years.

Cronkhite.—Leonard W. Cronkhite, President of the Sandy Hill (N. Y.) National Bank, died October 20, aged seventy-eight years. He was a native of Sandy Hill, and had always resided there.

Goetz.—Ferdinand Goetz, President of the Keystone National Bank, Reading, Pa., died suddenly, October 17, while on his way to New York city.

Humes.—Samuel Humes, Vice-President of the Jersey Shore (Pa.) Banking Co., died September 30. He was a native of Jersey Shore, and after graduating from Williams College in 1891, he entered the bank above named and rose to be Vice-President.

Hurley.—Thomas F. Hurley, Cashier of the Security Bank of Minnesota, Minneapolis, died September 26. Mr. Hurley was born at New Haven, Conn., fifty years ago. For the past thirty-five years he had resided at Minneapolis. He had been a stockholder in the Security Bank of Minnesota for twenty years, and by close attention to duty he had gradually reached the responsible position of Cashier. He was one of the influential bankers of Minneapolis, and was well known and respected in the Northwest, as well as by many Eastern people.

Horton.—Charles Horton, who in 1868 helped to organize the Central Bank of Westchester County, White Plains, N. Y., and who was Vice-President of the bank, died October 12 in his ninety-fifth year.

Locher.—Charles H. Locher, President of the City Saving Fund and Trust Co., Lancaster, Pa., died October 13, aged fifty-five years.

Paley.—John Paley, President of the Beloit (Wis.) State Bank, died October 19. He was born in England fifty-six years ago. He had been identified with banking at Lanark, Ill., for twenty years prior to locating at Beloit, and was a successful banker.

Shumaker.—Samuel R. Shumaker, Vice-President of the National Bank of Western Pennsylvania, Pittsburg, died October 9. He was born at Academia, Pa., forty-six years ago, and after being educated, entered the Girard National Bank, Philadelphia. Afterwards he became Assistant Cashier of the National Bank of Chambersburg, Pa., and after filling this position for two years he became Cashier of the First National Bank, Huntingdon, Pa., holding this office for eighteen years, resigning in June, 1903, to become Vice-President of the National Bank of Western Pennsylvania, Pittsburg. Mr. Shumaker was one of the leading bankers of Pennsylvania. He had been president of the Pennsylvania Bankers' Association, and a member of the executive council of the American Bankers' Association.

Sneed.—W. R. Sneed, President of the Bank of Green Forest, Ark., and one of the wealthy men of the State, died September 27.

Sutton.—Jesse B. Sutton, President of the Puget Sound Savings Bank, Tacoma, Wash., died October 7, aged seventy-six years.

Yoachum.—A. T. Yoachum, President of the Christian County Bank, Ozark, Mo., died October 5, aged seventy-eight years. He was interested in real estate and merchandising as well as banking, and had amassed considerable property.

THE

BANKERS' MAGAZINE

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FIFTY-EIGHTH YEAR. DECEMBER, 1904. VOLUME LXIX, No. 6.

THE NATIONAL BANK NOTE continues to be an interesting subject of discussion at bankers' conventions. In his annual address at the recent convention of the American Bankers' Association in New York city, President Bigelow had the following to say regarding the security on which the National bank notes are issued:

"A bond-secured currency never did and never can respond to the demands of trade. It is a wasteful system in tying up capital, and it lacks elasticity. It expands and contracts only with the price of bonds. On the other hand, a circulating medium, to be efficient, to be a ready help, needs to be invoked promptly, without displacement of capital; to do its instant work, and as promptly to be retired. This is its active principle, and these are its essential attributes."

Mr. Bigelow further declared it to be his belief that the present circulation is redundant. This is the testimony of a National banker, speaking in his official capacity as the chief executive officer of the American Bankers' Association.

The proposal to substitute the general assets of the banks instead of Government bonds as security for the circulation of National banks has been exhaustively considered without seeming to gain any headway in Congress. Even the bankers are greatly divided in their opinions as to the wisdom of the proposition, though the majority seem inclined to disapprove.

Notwithstanding the apathy of Congress, and the divided counsels among bankers, the future of the National bank note must be seriously considered at no remote day. The high price of Government bonds practically destroys the profit on bank circulation. The profit is so inconsiderable that some of the banks do not issue notes at all, and while the law permits the National banks to issue notes to the full amount of their capital ($770,777,854) only $411,231,095 circulation, or a trifle over fifty per cent., was outstanding on September 6 last.

If there were any substantial profit in issuing the notes the amount would be much greater, for there is no effectual check on redundant issues. An excessive supply of currency, under present conditions, is partly corrected by the exportation of gold, which is very much like digging away part of the foundation of a house in order to strengthen the structure, at the same time adding on a few additional stories. For this is about what takes place when gold is exported—the quantity of bank notes goes on increasing, not waiting till the reduction in gold supply caused by exportation is made up either by importation or the production of our mines, as would be the case if the circulation were based largely upon coin instead of the Government debt.

The present National bank circulation is perhaps more or less demoralizing in its effects upon the business of the country, since its supply sometimes expands when not wanted and diminishes when needed most. This could hardly be otherwise, since neither the supply nor the price of bonds is governed by the activity of business.

But these are not the only defects of the present method of issuing National bank notes. Actually the price of bonds has risen to such an extent as to prohibit the organization of new banks in many cases. The banks cannot afford to pay the premiums for the bonds required for organization purposes. It would seem that there are grave defects in a system which denies banking facilities to a progressive and growing community, and that compels a bank before issuing its notes to send out of its own locality more money than it gets back in the form of circulating notes.

In view of the manifest imperfections of National bank notes issued on the security of Government bonds, the question arises: Is it worth while to perpetuate the public debt to sustain a prerogative that is no longer profitable to the banks and not of much value to the public? There will be a slight increase in the debt on account of the construction of the Panama Canal, but unless some abnormal conditions arise the debt must gradually diminish. If the bonds instead of being paid at maturity are extended indefinitely, such a policy will mean that the people are to be taxed to permit the issue of circulating notes by the National banks, which of course would be defensible if the notes were the least expensive and most useful form of currency and could be had in no other way. But with the large stock of gold in the country, and the great volume of sound commercial paper held by the banks, the necessity for any such expedient does not seem to exist.

It would probably work no substantial harm to business interests, but would most likely be beneficial, if the function of issuing notes should be gradually allowed to lapse with the extinguishment of the debt. However necessary bank notes may be in the early stages of a country's

development, their usefulness is not so apparent when a nation has reached the economic position of the United States. Certainly a note that requires a greater amount of security behind it than its face cannot properly be called a credit instrument.

The ideal currency of the world seems to be tending in the direction of gold certificates, and this is true whether the paper representative of the gold is issued by the Treasury, as in the United States, or as a bank note based on coin, as is the case in several European countries.

It has been pointed out that the use of the public debt as security for bank notes has made it possible to find a ready market for the bonds at higher prices than could have been obtained had the bonds not been available as a basis of circulation. There is some truth in this, but it is exceedingly doubtful if the credit of the United States needs any such artificial stimulus; certainly it is not needed in times of peace. Besides, the high prices of the bonds is tending to restrict their use as security for Government deposits with the banks, and in consequence the door has been opened for grave abuses by the substitution of other classes of obligations as collateral for the public deposits. The great advance in the bond premiums is having injurious effects in another direction. The Savings banks, life insurance companies, trust companies, as well as individual trustees, are practically compelled to dispose of their holdings of Government bonds and invest in other securities which are less safe. Even in so conservative a State as New York, the stringent laws governing Savings banks have been relaxed, and these institutions have greatly reduced the amount of their holdings of United States bonds.

Whether it would be wise to limit Savings banks investments (as we believe is done in the case of the Postal Savings banks in England) to the Government debt alone, there would seem to be no doubt of the wisdom of confining these investments to securities from which the element of risk is as nearly eliminated as it can be by human foresight. This is far from being true concerning the investments now permitted these institutions in many States.

It is probable that the enormous increase in the amount of saved capital seeking investment, and particularly demanding securities of the highest class, would in a short time create a demand for the bonds of the Government at prices not much below those now prevailing even if the bonds held as security for National bank circulation should be gradually thrown on the market.

Of course no one would propose the immediate repeal of the provision of law which permits the National banks to issue circulation in the manner now prescribed in the National Bank Act, but should this privilege lapse in time through the payment of the debt, there is little

likelihood that there would be any disturbance of business. It is the opinion of competent European observers that in view of the stupendous trade balances in favor of the United States in recent years, the amount of gold imported would have been much greater but for the heavy increase in National bank circulation. There is considerable evidence, too, that the inflation of which Mr. Bigelow speaks has been partly responsible for the abnormally high prices of the past few years. Though labor has been fully employed at good wages, the difficulty of meeting the ordinary expenses of living were perhaps never so great. The rapid growth in the volume of paper currency has been one of the elements in creating a prosperity, which while not wholly fictitious, has seemed more apparent than real to many persons who have watched with serious concern the slow decline in the purchasing power of their wages or incomes from other sources.

The increased production of gold tends to make bank notes obsolete, and it would seem to be true, considering the strong economic position of the United States, that we have the ability to command all the gold we require. It is recognized that the only form of bank currency that is really elastic consists of bank checks and credits and the existing method of issuing circulating notes probably interferes with the elasticity of the checks and credits. The bank notes and legal tenders, amounting to over $750,000,000 are practically fixed in volume, thus interfering with the full play of economic forces.

Whatever may be said as to the theoretical soundness of an asset currency, the difficulties in the way of the introduction of such a form of currency here are so great as to be almost insurmountable. By the time the bonded debt is extinguished it is by no means improbable that bank notes will be entirely superseded by gold coin and certificates and by the greater use of checks consequent upon the rapid extension of banking facilities. Should it be found otherwise, however, the proper basis of note issues would be an adequate reserve of coin, rather than Government bonds. Meanwhile the movement for asset currency may be allowed to slumber.

As the currency question can no longer be kept alive for political purposes, it may be expected that Congress will give the matter serious attention. There is still room for improvement in many respects, the most obvious reform being the conversion of the legal tenders into gold certificates, in the manner suggested by Treasurer Roberts in his address at the last annual convention of the American Bankers' Association.

Whatever may be the future of the National bank notes, the indefinite extension of the public debt solely with a view to their perpetuation on the present basis, does not seem to be demanded by a sound economic policy.

THE REPORT OF THE Superintendent of the Money Order System for the last fiscal year shows that the number of money orders issued by this Government during the year exceeded fifty millions, and the amount involved in the domestic money orders alone was $378,511,497. In addition there were foreign money orders aggregating $42,550,150. The gross revenue derived by the Government from this source was $3,-626,676.

Assuming this revenue to be the amount paid by the public for this service in the remission of money, it will be seen that the average charge made was a little less than one-tenth of one per cent., or about ten cents on the one hundred dollars. This report, as well as previous ones of the same character, shows conclusively the extent to which the Government enters into competition with the banks in the transmission of money from point to point, and also indicates that if the banks desire to outbid the Government for this class of business they must, for one thing, reduce their charges to less than ten cents on the hundred dollars. But the amount paid for the accommodation is only one of a number of factors which must be considered by the banks if they seek to compete for this business.

There are, according to this report, 36,031 National and 6,913 international money order offices in operation. How does this compare with the number of banks and financial institutions prepared to make remittances? There are nearly three times as many, at the least two and a half times as many money order offices as there are banks. It will no doubt be hopeless for the banks to rival the number of post offices to say nothing of the express offices which also do a very large money order business. It is not surprising that wide-awake bankers have viewed this immense amount of paying business which seems to be beyond their reach as something of a reproach to the banking methods which let profits of so much importance slip through their fingers. The few who have had courage to at least make an attempt to enter into this field deserve great credit, and can probably bear up under the fact that many look upon their efforts as useless.

Evidently in seeking to obtain a portion of this business the banks cannot expect any help from legislation. The Government money order system has a prestige that cannot be overturned, and the express companies will doubtless take care of themselves. It may perhaps seem a paradox to many, but it is believed that the banks could do this business much more cheaply than either the post offices or the express companies. It is probably true that those who have bank accounts seldom make use of the facilities extended by the Government and the express companies. All the business of the latter is derived from that portion of the population that do not have bank accounts. The only way in

which the banks can compete successfully is to educate the people to deposit their money with them. Here, as shown by the report of the Superintendent of the Government's Money Order Department, is the great sum of nearly 400 millions of dollars that might as well have swelled the bank deposits of the country. Of course there will always be an irreducible minimum of money which does not go into the banks, but it is believed that the actual sum which now remains outside of the banks can be very much reduced. The banks of the country are at the present time doing much to let the people know of the facilities they can afford for the saving and safe keeping of money. Advertisements in the financial publications, in the daily papers, and by cards and circulars are widely distributed. But these might be made stronger than they are by educating the people as to the advantage of a bank account as a means of paying and transmitting money both at home and at a distance. The possessor of even a small bank account does not have to run to the post office or the express office and wait until half a dozen blanks have been made out. In his own home he can make out his personal check and send it wherever he chooses by mail with a minimum of inconvenience. It may be asked where do the banks get their profit. They get it in charges for the collection of checks and as to such charges they can underbid the post office and express companies, and even if they get nothing for collection, they still gain by the increase of deposit lines. But whatever may be the inconveniences, it is in the enlargement of the knowledge of the class of people who do not now use the banks, so that they will perceive the advantage bank checks have over the present post office and express money orders, that the banks must hope to compete successfully with the Government and the express companies. It is the ignorance and inexperience unavoidable among a certain proportion of any population that make it possible for the post office and the express companies to do so large a business which the banks could do more cheaply.

THE RESULT OF THE PRESIDENTIAL ELECTION comes in the nature of a surprise to both political parties. The vast preponderance of votes cast for the Republican candidate was something that exceeded the predictions and expectations of the most partisan managers of the victorious party. How little real conviction there was in so overwhelming majority for the Republican party is best shown by the ante-election betting. If there had been even approximate belief in the triumph of Mr. ROOSEVELT, the odds given would have been much greater. In other words, the Republican candidate, as far as betting was concerned, did not have the popular support extended, on the average, to the ordinary

race-course favorite. That the doubt of the result before election was much more serious than there was any real occasion for can now be realized. There was undoubtedly a pause in business, a waiting attitude, which indicated more uncertainty than was warranted.

It has been repeatedly asserted that the campaign of 1904 was distinguished for the absence of excitement which is usually an accompaniment of presidential campaigns. It has been inferred from this that there was less work than usual done by the political parties. But this is far from being proved, and most likely such an inference is in a great degree unwarranted. It may be safely asserted that the campaign was carried on in a way which most effectively encouraged a great deal of thinking on the part of the voters, inasmuch as the apparent laxity of effort in the usual political lines was not followed by a decreased vote but by a distinctly larger one. In fact, although comparatively the mass of voters were exposed to less solicitation from either side they seem to have been quietly considering the importance of the occasion, and to have given their votes under the influence of a real thoughtfulness, rather than as often appears under the influence of an emotional enthusiasm. It may be also that this election marks an advance in the general intelligence of the voters of the country, or at least indicates their capability of keeping up with and forming their own judgments on public questions as they arise and are discussed in the press from day to day.

It is said that there were no issues in this campaign. But rather the truth is that the issues were so well known and distinct that there could be little mistake about them. The overwhelming decision in favor of the administrative policy which has been pursued since 1896, does not perhaps indicate that there have not been some errors, or that there are not still many points capable of improvement, but it does indicate confidence in those who have been shaping this policy, and especially in the man at the head of the Republican ticket. The public have indicated their belief in the ability and good intention of Mr. ROOSEVELT. The flaws pointed out in his three years' Administration, by his opponents, have evidently been looked upon by the voters as something which the circumstances under which he first became President forced upon him. The common-sense judgment of the average voter has been that were he endorsed and continued in power, there could be no better guarantee of such reforms as may be needed than the well-tried character of the man who has been continued in office.

There were two things in which the people of the United States are deeply interested: the attitude which the nation as a nation holds toward foreign nations, in short the foreign policy, and the construction of the Panama Canal. Both of these concern the future pros-

perity of this nation, although it is not necessary to point out the obvious ways in which our prosperity may be affected. Judge PARKER, the opponent of Mr. ROOSEVELT, was a man entirely untried in the great arena of statesmanship, although above criticism as an American citizen in his character and standing. In regard to him, however, the American people may feel as did King Henry in regard to Lord PERCY after the battle of Chevy Chase:

> "'Now, 'God be with him' said our King,
> Sith 'twill no better be;
> I trust I have within my realm
> Five hundred good as he."

It was not Mr. ROOSEVELT'S personality alone that secured his success. It was the environment in which his personality has developed, and produced results generally satisfactory, that convinced the voters of the country that he should be retained in office. But whatever the reasons calling out this strong endorsement of the present administration, it is now settled that for four years there will be no serious change in the manner of conducting the Government. The calculations of our business men during the last eight years may be continued on familiar bases for the coming four years. No one can foresee the future. But the settlement of the election controversy gives as secure a foundation for the encouragement of future enterprise as it is possible to have in the uncertain affairs of men. The prospect for the future business prosperity of the country is bright. Business men, however, should not permit themselves to become careless and overconfident. They have too recently experienced how easy it is to cloud the brightest prospects by a rash and ill-considered use of what appear to be present opportunities.

THE SUCCESS OF THE JAPANESE LOAN in London may have been in some degree due to sympathy with the Japanese, intensified by the excitement and anger aroused by attack on the fishing fleet by the Russian squadron. But the eagerness to subscribe is chiefly due to confidence that whether wholly successful or not in driving Russia out of Manchuria, Japan has now practically gained all she fought for, and that it will be impossible for Russia to regain on the offensive what she has lost when having the advantage of being on the defensive. Whether this confidence in the financial ability of Japan is based on information which has been imparted to those likely to be interested in the loan cannot be definitely known. But it may be surmised that Japan is in a much better condition in a military sense, and Russia in a much worse condition than can be inferred from the daily dispatches. There is more than a strong suspicion

that Russia has sought to conceal the real extent of the injury her armies have received in the recent campaign under an artistic array of optimistic dispatches. That notwithstanding the frequent assurances that she does not want peace and the reiterated determination to continue the war indefinitely, Russia is in a much worse condition both at home and abroad for a long war than Japan.

If the end of the war is in sight, the Japanese securities are a good investment at the prices at which they were sold. Even if the war continues some time, the investors realize a high rate of interest.

It is probably believed that in sending out her Baltic fleet Russia seems to confess her inability to drive the Japanese back with her army. Even with the best intention it is extremely doubtful whether this fleet will ever reach the Sea of Japan. The ease with which the Japanese have already disposed of one Russian fleet of superior force on paper, a fleet that was backed by a fortress, and was protected by a cordon of mines, tempts one to conclude that in the open sea this new squadron will have little chance with the Japanese, who may intercept the Russian ships at many points of their voyage when they come within striking distance. The silence preserved in regard to what preparations the Japanese are making to meet this new squadron is ominous, as contrasted with the apparently wide advertisement of all the movements of the Russian squadron. At all events it is evidently believed that in dispatching this fleet on so long and arduous voyage, Russia is playing her last card. From another standpoint, all the elaborate protestations against making peace, all her reiterated assurances of ability to carry on an endless war, as well as the deliberate dispatch of the Baltic fleet, its slow and uncertain progress, suggest the idea that Russia is really making an impressive preparation to secure as good terms of peace as possible, and that after her ill success on the field of battle she hopes to make a more effective and successful display on the field of diplomacy. Events may show these views to be entirely mistaken, but they evidently formed to some extent the basis of the favorable reception of the Japanese loan.

THE LOUISIANA PURCHASE EXPOSITION is apparently to be an exception to preceding exhibitions of the same character, in that there is now every indication that it will pay expenses. It has been fortunate in selecting a year in which people have had both leisure and money to enable them to be interested in the attractions of a world's fair. The Chicago Exposition was unfortunate in that the year 1893 was conspicuous for one of the greatest financial panics ever known in the history of the country, while succeeding this there raged

throughout the land, both in and out of Congress, the notable contest over the repeal of the silver purchase law and the continued coinage of the silver dollar. Until this contest was finally settled very late in the year there was no cessation of the depression of business, and very little from the severe shock of the panic. This year, although the presidential election was under way, has been, for a presidential year, distinguished by a lack of excitement. Business has been generally prosperous, and yet the superstition in regard to the quadrennial election has no doubt held many back from embarking on new enterprises.

The disappointment on the financial side characteristic of the Chicago and Buffalo expositions led many to predict a similar result in St. Louis. But the latter appears to have paid its way, and, what is more remarkable, paid back the loan received from Congress.

If the Louisiana Purchase Exposition had been as unsuccessful as the two previous ones in Chicago and Buffalo, it would probably have been the last attempt on so great a scale in this direction. Its success will no doubt encourage similar efforts in the future. Still it will be well to recognize that the success of expositions of this kind will be much a matter of the conditions covering the year selected, and as these cannot be foreseen, there must always be a great element of chance influencing the result.

The Secretary of the Treasury has called for the payment of twenty-five per cent. of the public moneys held by the designated National bank depositories, ten per cent. to be paid January 15, and the balance of fifteen per cent. on March 15. The sum which will thus be taken from the banks and added to the working balance of the Treasury is estimated at twenty-five millions of dollars.

The formal transfer of large sums of money from the immediate custody of the banks to that of the Treasury is always the cause of some apprehension that the money markets may be unfavorably affected. The public moneys are distributed rather widely among banks located in all parts of the country, not always most conveniently situated for transfer by draft. The time selected for the banks to make these payments to the Treasury is the season of the year when money usually flows toward the money centres, and probably the banks can meet the demand with less chance of inconvenience than at any other time. The inconvenience chiefly arises from the necessity imposed on the depositaries of calling in the loans which represent the use by them of the public moneys. At this season it is more than likely that a certain portion of these loans would have been voluntarily paid by the banks' customers, but it will be unavoidable that some customers

will have to be called upon to pay up who will have to borrow in order to do so.

There must be good reasons why the Secretary of the Treasury deems it necessary to secure the transfer of the public money from the banks to the Treasury, before using it in expenditures. Otherwise why does he not draw the expenditure drafts directly on the banks, instead of first transferring the fund and then drawing on it. The main reasons are the fear of inconveniencing the banks, and the fact that there might be some loss of exchange in drawing on funds in localities outside of the usual current of payments.

Secretary SHAW seems to have used the bank depositaries to a greater extent than previous Secretaries of the Treasury to relieve the money markets from the danger caused by locked-up surplus. He was forced to use the banks inasmuch as he did not have so many chances as his predecessors of using the surplus to buy bonds or to pay advance interest. Secretary SHAW seems to have had less fear of precedent than any head of the Treasury Department for a good many years. His acceptance of State and city bonds as security for public deposits, his free use of the banks as depositaries of public money, as well as his paternal attitude in advising the banks to take out circulation or to refrain from retiring it, have shown a disposition to bring about results with small regard to the niceties of traditional precedent in the construction of law. In fact Secretary SHAW has been less like a banker than any Secretary of the Treasury since the days of CHASE, who was also criticized by the bankers of that time for his unconventional ways. Rumors of his retirement from the Cabinet after March 4 have been set on foot, and their truth is not intrinsically improbable. It is also announced that a new place is provided for him as the President of an influential financial institution in New York city.

THE REVISION OF THE TARIFF and also of the internal revenue taxes is favored by a considerable number. As usual under such circumstances, various taxes are mentioned for repeal or reduction; and certain new taxes are suggested as substitutes for some of those now in force. The tax on bank checks is among the new taxes suggested. This was always one of the most petty and annoying of the internal revenue taxes, both to the banks and to those who used the banks. It had the effect of lessening the use of checks and thus it indirectly prevented the increase of deposit accounts. It never brought in much revenue and was recognized as a nuisance by the general business public.

No doubt the great outside public, badly informed as to the real benefit conferred universally on business by banking machinery, may

imagine that this tax only reaches those rich enough to have bank accounts. It might be impossible to convince those who are of this opinion that cash transactions increase with the use of bank accounts in business, and that as payment by checks increases, there is more cash set free for cash business.

The restriction imposed on the use of checks by the imposition of an inconvenient stamp tax would have a tendency to restrict all business. The banks should firmly oppose any attempt to revive this check stamp tax and be on the lookout for any symptoms of action having such revival in view.

A FORM OF POSTAL CURRENCY, which the author of the plan claims will be extremely popular, is described in a recent issue of "The Woman's Magazine." The plan provides for the issue of certified checks by an institution called the Postal Bank. A depositor placing $100 in the bank would be given ten checks certified as good up to $10, and whatever sum he wished to issue the checks for, below this amount, would be written in the body of the check, thus enabling the depositor to make his own money orders without going to a bank, express office or post office.

It is contended that the use of the money for the average time the checks are in circulation will make the venture profitable, especially considering the large amount of such orders now issued annually and the increased volume of funds which the added convenience of the new system will bring into the Postal Bank.

The author of the plan insists that he is not a dreamer, but that he has carefully studied out this matter while the banks have slept. He rightly says that the banks individually would find difficulty in carrying out such a project. But with proper attention and united effort the circulation of country checks might be profitably enlarged.

A GOLD STANDARD FOR MEXICO is provided for in a measure which President DIAZ has prepared for the consideration of the Mexican Congress. Official details of the plan are lacking, but it is understood that the Mexican dollars now in circulation are to be replaced by others, which will be maintained at a value of fifty cents in gold. The old dollars that are in Mexico will probably be exchanged for the new coins, but the large amounts of Mexican silver circulating in other countries will not enjoy this privilege.

Since the promulgation of the plan, exchange rates have been materially steadied, and when the measure becomes effective it promises to remedy a defect in the finances of Mexico that has greatly hindered the country's development.

THE DECENTRALIZATION OF INTERNATIONAL BANKING.

The prophesies that New York, the financial centre of the United States, will at no distant date supersede London as the great market for National loans have received from time to time considerable support. In October Mexico placed $40,000,000 fifty-year gold bonds, bearing four per cent. interest, with American bankers. In April the $35,000,000 Cuban loan secured by customs was placed in the New York markets. During the Boer war large amounts of British consols were subscribed for in New York. Since then Russian, Japanese and German loans, National and municipal, have found takers in the same market.

It would seem that the forecasters of the financial greatness of the United States have reason to feel encouraged that their predictions may ultimately be fulfilled. But it is perhaps the wisest course not to place too great a confidence in these appearances. Financial conditions all over the world have changed during the last decade and the fact that American capitalists have secured a share of the foreign loan business is due to this change as a very important factor. Doubtless it would have been almost impossible for New York to pose as a world's financial centre if the gold standard had not been definitely established in this country. But for years previous there had been growing up in New York a class of international bankers, who gradually fitted themselves for dealings not only in their own country but in the chief money markets of Europe. The vast expansion of the foreign trade of the United States, coincident with the fixing of the standard of value on a gold basis, found these firms ready to seize the opportunity. They had established a credit in foreign money markets as well as in their own and their clientele of investors when they had any thing to offer could be found abroad as well as at home.

In other words, within the last decade American bankers have entered into competition with the bankers of foreign money centres to reap advantage of the great national loans all over the world. London as the so-called financial center of the world has not for some time had the same monopoly of the loan business that was hers at first. The inaccessible position of London during the great European wars of the beginning of the last century and the early adoption of the gold standard of value by the British Government, gave her a vast start in the financial race. But there was no reason why, as civilization advanced and private rights in time of war were more regarded, that other capitals should not afford similar facilities for the safe investment of money. The improvement of means of communication has brought all localities closer together, and the banking capitalist, wherever he establishes his main office, or to whatever nationality he chooses to belong, really belongs to no particular money market, as he can in effect do business as easily in all as he does in one. And this seems to be the fact. When American bankers in New York city subscribe to foreign loans, whether Mexican, Japanese, Russian, German or British, it is by no means to be

inferred that they are permanently investing American capital, any more than British, French or German. These transactions must be considered as world transactions. No one can tell the nationality of the investors in whose hands the national loans placed by the American bankers will eventually rest. Like other stocks, they will pass here and there as the great financial game is carried on. It implies, of course, the growth in wealth of our American bankers that they can enter into the great loan market on as good terms as any, but more than this it is a growth in knowledge of monetary affairs far in advance of what previously existed.

Under the conditions now existing in the financial world it is vain to talk of New York becoming a pre-eminent banking centre, as London at one time undoubtedly was. There will from this time forward be no single world's money market. The great loans will be placed after competition among the world's capitalists. This tendency has been the chief factor in the maintenance of peace between nations, and it will continue to gain strength. As to what proportion of the means necessary to carry on these great transactions American bankers draw from purely American sources, it is difficult to tell. Of all countries the United States contains within itself the greatest oportunities for using home surplus capital. But this does not preclude the existence at all times of a very large sum in the aggregate of capital temporarily unemployed. The international bankers find a new use for this, and by a judicious business in foreign loans they place it where it can, if desired, be readily restored to domestic uses.

In proportion to the wealth of the United States the debts of the various governments, Federal, State and municipal, bear a much smaller ratio than in most other States of similar rank, and the ability of American bankers to subscribe for loans depends in some measure at least upon a demand for investments in government securities which our own Government securities are generally insufficient to satisfy. Securities of this class which may be readily sold at any time are sought in the interests of enterprises requiring a more permanent locking up of money. Those who wish to sell the securities of governments in good credit have all the markets of the world open to them. It is reasonable to expect that as American investors become accustomed to the advantages of first-class foreign loans they will be placed in increasing quantities in American money markets. But it is probable that the day is past when any one money market will attain the pre-eminence that London once indisputably held.

SECURITIES FOR PUBLIC DEPOSITS.—The Treasury Department has sent letters to the National banks having State and municipal bonds deposited with the Treasurer to secure public moneys, notifying them that all such bonds must be withdrawn before January 1, and that United States bonds, Philippine Friar Land bonds or Philippine certificates must be deposited in substitution.

The amount of State and municipal bonds on deposit has been gradually reduced until the total is now but $1,931,000. Most of these bonds were accepted by the Department as security for public moneys to the amount of seventy-five per cent. of their par value, but some were accepted as security for sixty-five per cent. of their par value.

THE WORLD'S ACCUMULATION OF GOLD.

The distinguished French economist—M. Leroy Beaulieu—has recently been reviewing the gold holdings of the world's principal banks and treasuries, and finds that at the time of writing the total amount so held was $2,800,000,000, and that more than one-half had been accumulated since 1890. In that year the gold output of the world began to expand, and has since continued on a greatly increased scale.

These great reserves of gold are the foundations upon which the fabric of modern credit rests, and the fact that they have more than doubled in amount during the last decade goes far to explain the immense expansion in international commercial and speculative transactions. Statistics of this kind are interesting, and, properly understood, they ought to contain the key to devising such methods of conducting business as would insure the business world against the recurring periods of depressed credit, which have been so characteristic of the first century of what may be called the credit era. It is undoubtedly an advantage to know the location and condition of the instruments and machinery by which modern business is conducted. Statistics in regard to banks and financial institutions showing their number, capital, reserves of cash, including gold; in regard to stocks and bonds and other securities; of exports and imports, of crops, raw material of all kinds—and finally of manufactures—all these give the business man an intelligent idea of the business world in which he is working. Price lists and the ever-varying quotations of all sorts of commodities and all kinds of securities show how this machinery of trade, commerce and speculation is working. But notwithstanding all these data, the short step between what has already happened and what is about to happen does not seem to have been bridged. The change from prosperity to the reverse, from the height of confidence to lagging distrust, comes as unexpectedly as ever. If, however, there is any point in the history of credit that seems to be fixed, it is that a secure and unchangeable standard of value is the best of all remedies against too wide a range in the fluctuations of credit. The almost universal establishment of the gold standard during the last thirty-five years was the first and most important step toward an international support of business confidence. But this alone, while a most important preliminary, would not have been sufficient. The theoretical approval of the gold standard by a nation had to be backed up by action indisputably showing that the theory was made the practical national rule. No evidence of the solid character of standard maintenance is stronger than the accumulation of a gold reserve. And such has been the course pursued by all of the great commercial nations, and by others seeking to enter the first rank.

The effect of great gold reserves, such as are now held by the Government banks of European nations and by the Treasuries of the United States and Russia, is to give a stability in all world money markets to the securities and titles to wealth which emanate from each, whether representing temporary transactions or what are considered more permanent invest-

ments and enterprises. Each country by keeping a strong gold reserve instead of having the transactions of its business men confined to its own boundaries as was once chiefly the case, opens up to them all the markets of the world. The advantages which have been long enjoyed in domestic trade and speculation from the development of exchange and clearing facilities, are now extended so that they are utilized to a very great extent in international transactions. The keeping of these great reserves of gold obviates much of the transportation of the metal from country to country that was once so prominent a feature of international trade. If it were not for the international confidence established by these accumulations of reserve gold, with the great increase of the world's trade, the gold movements of the last decade would have surpassed everything of the kind before experienced, whereas they have been becoming less and less important. There may still be occasional revivals of the old grabbing for gold that led Bismarck to compare the commercial nations to selfish bedfellows, each striving to cover himself with the biggest share of a short blanket; but these are due to the still imperfect use of the modern clearing machinery in international business. The great output of the desired metal has enabled the nations to build up their gold reserves without much grabbing, notwithstanding the great increase of business. The abundance of gold available has made it unnecessary to resort to methods which would economize reserves.

If trade had increased and the output of gold stood still, the establishment of a national clearing-house would have enabled business to be done on the smaller reserves as successfully as it is now accomplished by cruder methods on the larger reserves with which providential gold discoveries have favored the world.

If in the future trade continues to increase, and, as might very well happen, the output of gold diminish or at least not increase in equal ratio with trade, then the disadvantage of smaller gold supplies may still be offset by a wider application of financial machinery. It is hardly possible that a diminishing proportion of gold reserve to the operations of commerce would be followed by any struggle among money markets to increase each one its own reserve at the expense of the others. The same process of reciprocity and mutual support is gradually making way throughout the world's money markets, as has been witnessed during the last century in the domestic money markets. To-day the principal commercial nations are spoken of as having adopted general uniform methods of finance. These methods are spreading all over the world, and with this advance will necessarily come the abolishment of many trading methods that in a financial sense are cumbersome and expensive. Large gold reserves may be necessary in a transition period like the present, but with greater development of the world's trade financial methods will improve, and a given gold reserve will sustain a much greater area of credit.

THE ART OF WISE INVESTING. New York: Moody Publishing Co.

This is a series of short articles on investment values, pointing out the essential characteristics of safe investment securities, with a review of the financial pitfalls into which superficial examination inevitably leads. The suggestions seem well calculated to promote the wise investment of money.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

STATE STATUTES RELATING TO TRUST COMPANIES.—*Cont'd.*

DELAWARE.

Trust companies in this State are incorporated by special act of the Legislature. There are a few general laws regarding such corporations, most of them applying also to other financial corporations. They are under the supervision of the Insurance Commissioner, to whom they must render not less than two reports each year, according to the form prescribed by him, within twenty days of receipt of request from him for such report. Such report must be published once in a local newspaper. The Commissioner has authority to examine trust companies at his discretion or on request of the company. If unsafe conditions are revealed, the commissioner may take temporary charge, and report to the Attorney-General, who shall institute proceedings. If a trust company is authorized to act as surety or guarantor, it must file with the Insurance Commissioner a copy of its charter, make to him an annual statement and pay an annual license fee of $100, and other lesser fees. Courts are authorized to appoint trust companies to offices of trust; and may in their discretion not require such corporations to give surety on bonds given for faithful performance of duty; but the capital, surplus and property of the company shall be liable. All liabilities and obligations arising out of any such trusts are "made liens upon its real estate prior and paramount to any other lien or incumbrance the said corporation may create or suffer respecting the same."

(Statutes, Vol. XXII, chapter 330, sections 1, 2, 4, 5, 7, 8, 9. Laws of 1903, chapter 338.)

DISTRICT OF COLUMBIA.

Twenty-five or more persons may incorporate to do "a safe-deposit, trust, loan and mortgage business." They shall file an organization certificate with the Commissioners of the District. Notice of intention to organize must be printed in two newspapers in the District at least four times per week for three weeks. The charter, when granted, must be filed with the recorder of deeds for the District, and copies of both the organization certificate and the charter must be filed with the Comptroller of the Currency, under whose supervision trust companies operate. The Comptroller has over trust companies the same visitorial and examination powers that he has over National banks, and trust companies must report to him as the National banks do. They may not begin business until the capital stock is paid in full and the deposit of securities with the Comptroller, hereafter described, is made. Powers specified, to make contracts; to sue and be sued, implead and be impleaded in any court as fully as natural persons; to make and use a com-

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

mon seal; to loan money; "to accept and execute trusts of any and every description which may be committed or transferred to them;" to act as a receiver, assignee, executor, administrator, guardian of the estates of minors with the consent of the guardian of the person of such minor, and committee of the estates of lunatics and idiots; to accept deposits of money for the purposes herein designated; to act as fiscal and transfer agent and registrar; to issue its debenture bonds upon deeds of trust or mortgages of real estate under conditions specified. The courts of the District are authorized to appoint trust companies to act in fiduciary capacities. The capital stock, all property of the company and the liability of stockholders and officers are to be considered as the security required by law for the faithful performance of duties, and are absolutely liable in case of default. Trust companies must also make a deposit with the Comptroller of the Currency, in trust, either in money or in bonds, mortgages, deed of trust or other securities equal in actual value to one-fourth of the capital stock paid in. The Comptroller may from time to time require an additional deposit not exceeding in value one-half the paid-in capital stock. The company may hold real estate not exceeding in value $500,000, and in addition such as it may acquire in satisfaction of debts. But real estate acquired under foreclosure or to secure debts may not be held longer than five years. Charters of such corporations may be made perpetual, or may be limited in time, subject to the approval of Congress. The capital must be at least one million dollars, half paid in, and all paid within one year. Annual reports as of December 31 must be submitted to the Comptroller. Taxes of one and a half per cent. per annum must be paid, in lieu of personal taxes. Stockholders are subject to double liability. The number of directors must be not less than nine nor more than thirty; all of them must be stockholders, and at least half of them citizens and residents of the District. The District Supreme Court has jurisdiction over trust companies in the requirement of statements, examinations, making of orders regarding trusts, etc. Similar corporations already organized may acquire the privileges of this act, and all such are subject to its provisions. Congress reserves the right to alter, amend or repeal the act.

(Code of the District, sections 715–748.)

FLORIDA.

There are no statutes regarding trust companies. Three or more persons may incorporate "for the transaction of any lawful business of a public or private character." (Revised Statutes, chapter 2, article 1, sec. 2122.) Chapter 4671 of Laws, approved June 1, 1899, authorizes solvent guarantee companies, surety companies, fidelity insuranee companies and fidelity deposit companies to become surety upon the bonds of city, county and State officers.

GEORGIA.

Five or more persons may incorporate a trust company. They must file articles of incorporation with the Secretary of State. Before the filing of such articles, notice of intention to organize must be published once a week for at least four weeks in a local newspaper. Powers specified, those of ordinary corporations, and in addition, to act as fiscal and transfer agent and registrar; to receive deposits of moneys, securities and other personal property and to loan money on real or personal securities; to hold real estate such

as is needed for the purposes of the corporation and such as is required in settlement of debts due to it; to act as trustee under mortgages and bonds, and to accept and execute any other municipal or corporate trust not inconsistent with law; to execute trusts for married women in respect to their separate property, real or personal, and to act as agent in the management of same; to act under appointment of court as guardian, receiver or trustee of the estate of any minor, the annual income of which is $100 or more, and as depository of moneys paid into court; to receive court trusts of all kinds; to receive in trust and manage property of all kinds committed to its care by persons, bodies politic or corporations; to purchase, invest in and sell stocks, bills of exchange, bonds and mortgages and to issue the obligations of the company for moneys or securities borrowed or received on deposit; to act as executor, administrator, or committee of the estates or lunatics, idiots, persons of unsound mind and habitual drunkards. Capital required, at least $100,000 paid in, and not to exceed $2,000,000, divided into shares of $100 each. Trust companies may acquire and exercise all the rights and privileges and be subject to the same liabilities and restrictions as banks, upon compliance with the banking laws. If they do banking business, they are subject to an annual examination by the bank examiner. The board of trustees may consist of not less than five nor more than fifteen persons. Savings banks, trust, security or guarantee companies already organized may acquire powers here given.

(Acts of 1898, p. 78. Supplement to the Code, 1901, sections 6458–6466.)

IDAHO.

Trust companies are organized under the provisions of the general incorporation laws. Five or more persons may incorporate. They must file articles of incorporation. The number of directors shall be not less than five nor more than eleven, and a majority of them must be citizens and *bona fide* residents of the State. Stockholders have the right of cumulative voting. Trust companies are governed by the provisions of chapter 92 of the Laws, which relates to "trust, guarantee title, abstract and safety deposit companies." Powers specified, to do a title insurance business; to receive on deposit and in trust estates, both real and personal, and manage same; to act as trustee, assignee, receiver, guardian, executor, administrator and to accept and execute "trusts of every description not inconsistent with the laws;" to receive deposits of moneys and other personal property and issue its obligations therefor; to invest its funds in and to purchase real and personal securities and to loan money on same; to act as fiscal and transfer agent and registrar; to hold and dispose of in any way it sees fit all such real property as may be the subject of insurance by the company; to purchase and sell real estate and take charge of same; to become security for the payment of damages assessed to be paid for lands taken in the building of a railway, for the opening of streets or roads, or for any purposes where land or property is authorized by law to be taken; to become security upon any writ of error or appeal, or in any proceeding instituted in any court in the State; to receive on deposit for safe keeping securities under the control of executors, administrators, etc.; to receive deposits of court funds. The capital must be at least $25,000, fully paid. The capital is liable in case of default in the faithful discharge of trusts, and is to be taken as the security required by law.

Courts making trust appointments may examine the officers of the company regarding the administration of the trusts.

(Code, chapter 92, sections 2332–2337; and sections 2086 sqq.)

ILLINOIS.

Trust companies are incorporated under the general incorporation laws, but regulated by the provisions of the trust company law. If they wish to do both banking and trust business they are organized as banks, and qualify under the trust company law. Powers specified, to receive deposits of court funds; to act as assignee or trustee by deed, and as executor, guardian or trustee by will, and as receiver, assignee, guardian, conservator, executor, admininistrator or other trustee by appointment of court. The appointment as guardian or conservator shall apply to the estate only, and not to the person. Such corporations are not required to give bond or security, but shall be responsible for investments and be further liable as natural persons in like positions. Before accepting any of the trusts above mentioned, they must deposit with the Auditor of Public Accounts in bonds of the United States, municipal bonds of Illinois or first lien mortgages on improved and productive real estate in Illinois, worth at least twice the amount loaned thereon, the sum of $200,000, if the company be located in a city of more than 100,000 inhabitants, or $50,000 if the company be located in a smaller city or town. Trust companies must pay interest on all moneys held by virtue of this act. Their compensation for services shall not exceed that allowed to natural persons for like services. Neither their deposits nor their loans shall be allowed to exceed ten times their paid-up capital and surplus. They must, during the month of January, render to the Auditor of Public Accounts an annual statement as of December 31, according to a form for such statement prescribed by the statutes, said form calling for very full and detailed information, including a list and description of trusts held. An abstract of this statement must be published in newspapers. The Auditor may require additional information and additional reports at any time. He must examine the company annually, and as much oftener as he deems wise.

(Starr & Curtiss' Annotated Statutes, 1896, chapter 32, sections 89–107. Act of April 24, 1899.)

INDIANA.

Ten or more persons may incorporate a trust company. They shall file articles of association with the Secretary of State. The amount of capital shall be at least $100,000 in cities of over 50,000 inhabitants; at least $50,000 in cities of between 25,000 and 50,000 inhabitants, and at least $25,000 in cities of less than 25,000 inhabitants. Maximum limit, $2,000,000. The capital must be divided into shares of $100 each. Where it does not exceed $100,000 it must be fully paid. Stockholders are subject to double liability. The directors shall number not less than six nor more than twelve. Each must own at least ten shares of stock, and a majority must be citizens of the State. Powers specified, to hold real estate and personal property such as is necessary for the convenient transaction of its business, for the use and occupation of officers and employees and for the safe-keeping of its assets, deposits and property held in trust, and such as is acquired in satisfaction of debts; trust property may be invested in real estate only if the instrument creating

the trust so specifies; to hold real or personal property in trust, however received and from whatever source—whether courts, corporations or persons —upon trusts created in accordance with the laws of the State and of the United States; to execute trusts for married women in respect to their separate property, and to act as agent in the management of such property; to act as fiscal and transfer agent and registrar; to conduct a fidelity insurance business; to act as depository of the funds in charge of State, municipal or corporation officials or other officials or private persons; to act as trustee, assignee, receiver, administrator, executor, guardian of the person or estate of minors, guardian of the estate of lunatics, imbeciles, spendthrifts, habitual drunkards or other persons disqualified or unable to manage their estates; courts are given authority to make such appointments, and no bond or security is necessary to enable a trust company to accept such appointments; to act as general agent and attorney in fact for public or private corporations or persons in the management of real estate and personal property; to receive, under specified conditions, trusts resigned by others; to receive savings deposits under the same regulations regarding repayment as Savings banks; to invest deposits and trust funds at the discretion of the directors in such personal securities as are not hereinafter expressly prohibited, but special directions or agreements imposed by order of court, will, contract, etc., must be followed. Trust companies are forbidden to "engage in any banking, mercantile, manufacturing or other business, except such as is hereby expressly authorized;" provided that promissory notes, etc., made negotiable by the laws of the State when payable at a bank shall also be negotiable if payable at a trust company. They shall not loan to directors, officers, agents, or employees, or allow them to become indebted to the company. Interest at not less than three per cent. per annum shall be allowed on all trust funds of $100 or over remaining with the company uninvested for over six months. Such corporations are subject to the orders of courts committing trusts to them. Annual reports must be rendered to the Auditor of State, and the same must be published in a local newspaper. The Public Examiner shall examine such corporations once every six months. If the Auditor of State discovers unsafe conditions he shall report to the prosecuting attorney of the district, who shall institute proceedings. Corporations not organized under the provisions of this act are forbidden to use the word "trust" in their titles. Shares of trust company stock are to be assessed to them in the town or city where they are located, and taxed at the same rate as other property in the locality. Such companies must render to the local assessor, between March 1 and May 15 each year, a statement giving the number of shares and estimated cash value of same, less real estate or other tangible property at its assessed value. Foreign companies may operate after procuring a certificate of authority from the Auditor of State. Before such certificate is issued, certain statements and information must be filed with the Auditor, who must satisfy himself of the solvency and the safety of the company. Such corporation must deposit with the Auditor securities to the value of $25,000 to remain for one year; and thereafter must keep with the Auditor securities equal in value to the amount of its liabilities to citizens of the State. It must make a statement to the Auditor, annually, in January. The Auditor of State shall examine such companies whenever he deems it necessary. If the company becomes insolvent or fails to carry out its agree-

ments, the Auditor shall revoke its authority to do business in the State and apply to the proper court for a receiver to take charge of the deposit above mentioned.

(Acts of March 4, 1893, p. 344, Acts of 1893; March 6, 1899, p. 503, Acts of 1899; March 7, 1901; Feb. 24, 1899; Feb. 27, 1899; March 11, 1901; chapter 148, Laws of 1903.)

Indian Territory.

There are no laws regarding trust companies or other corporations, but they are, by special act of Congress, governed by the laws of the State of Arkansas, *q. v.*

Iowa.

Trust companies are organized under the general incorporation laws. The only references to trust companies in the statutes are found in section 1889 of the Code of 1895, and an amendment thereto, approved March 30, 1904, chapter 65, Laws of 1904. Loan and trust companies are there authorized to receive time deposits and issue drafts on their depositories. Such companies, organized under the general incorporation laws, which were engaged in the banking business prior to January 1, 1886, and have continued therein since that date, may become State banks. All trust companies are subject to examination, regulation and control by the Auditor of State, like Savings and State banks. They must have a full-paid capital of not less than $10,000 in towns of less than 10,000 population, and not less than $50,000 in larger places. The banking law, which is by section 1889 of the Code applied to trust companies, requires such institutions to make quarterly reports to the Auditor of State, who also has power to examine them at his discretion. The stockholders are subject to double liability.

Kansas.

Trust companies are organized under the provisions of the general corporation laws, but governed and regulated by the provisions of the trust company law. Powers specified, to receive moneys in trust; to "accept and execute all such trusts and to perform all such duties of every description as may be committed to them by" persons, corporations or courts; to hold real or personal property in trust; to execute and guarantee bonds required to be given by public officers or in proceedings in the courts, provided that the liability so incurred shall not be in a sum exceeding one-fourth of the paid-up capital; to act as agent for the investment of money; to act as transfer agent and registrar, "and generally to have and execute such powers as are usually had and exercised by trust companies;" to act as guardian or curator of any infant, insane or other person subject to guardianship; to conduct a fidelity insurance business and a title insurance business; to loan money on real or personal security; to execute and issue its notes, bonds or debentures under certain restrictions; to buy and sell municipal and corporate bonds and all kinds of negotiable and non-negotiable paper, stocks and securities; provided, that it shall not loan money upon or purchase its own stock unless to prevent loss upon a debt previously contracted, in which case it may not hold such stock longer than six months, and the same shall not be included in assets for longer than six months; "to receive deposits of money from any bank, Savings bank, trust company or from any public officer or board subject to

check, or from any person, company, corporation or association upon time certificates of deposit;" to buy and sell foreign and domestic exchange, gold, silver, foreign coin or bullion; provided, that the total investment in bank stocks shall not exceed one-half the paid-up capital and surplus.

Trust companies must keep a reserve of twenty-five per cent. of deposits subject to check, and ten per cent. of time deposits, subject to the same rules as State banks, but part of the reserve may be in United States bonds or in loans secured by United States, State or municipal bonds, in lieu of deposits in banks. The capital must be not less than $100,000 nor more than $1,000,000, divided into shares of $100 each; twenty per cent. must be paid in before beginning business, and the balance within six months. The name of any such company must commence with the word "the," and end with the words, "trust company." The directors may be from five to fifteen in number; a majority of them must be residents of Kansas, and each must own not less than $1,000 of stock. They must take an oath of office. Before dividends are declared ten per cent. of the net earnings must be carried to surplus fund until the latter equals one-half of the capital. The company may own real estate for its own use, and such as is acquired in the collection of debts, but the total amount shall not exceed in value fifty per cent. of the capital for more than six months. Trust companies are under the supervision of the Bank Commissioner, to whom they must make four reports yearly, and are subject to examination by him the same as banks, at least once per annum. The banking law applies to them regarding impairment of capital and insolvency. In the absence of special provisions in this act, the general corporation act shall apply.

(Laws of 1901, chapter 407; Laws of 1903, chapter 528.)

CLAY HERRICK.

(To be continued.)

BOOK NOTICES.

POOR'S MANUAL OF THE RAILROADS OF THE UNITED STATES; in one volume; pp. 1600; price, $10. New York: Poor's Railroad Manual Co.

Poor's Manual is the hand-book of the railroad systems of the country, and contains detailed statements of the operations and condition of every railroad company in the United States and Canada, and the leading railroads in Mexico. As railway securities constitute an important part of bank collateral, the Manual is of practical value to bankers. The work is recognized as a standard authority.

THE TRUST COMPANY IDEA AND ITS DEVELOPMENT. By ERNEST HEATON, B. A. Buffalo: The White-Evans-Penfold Co.

Mr. Heaton has briefly traced the rise and development of trust companies and explained their functions. Although the treatment of the subject is hardly so full as its importance warrants, the monograph is far from lacking in interest and value. In addition to dealing with American trust companies, the author describes these institutions as they exist in England, Canada, Australia, New Zealand, and other countries.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

TRUST COMPANIES—STATUTE OF GEORGIA.

Supreme Court of Georgia, August 12, 1904.

MULHEIM *vs.* KENNEDY.

The act of 1898 (Acts 1898, p. 78), authorizing the Secretary of State to grant charters to trust companies with banking privileges, is not violative of paragraph 18 of section 7 of article 3 of the constitution of this State (Civ. Code 1895, Sec. 5780). The companies provided for in that act are embraced within the description "banking companies," as used in the constitution. Under the provisions of that act the ordinary may, in a proper proceeding, appoint a trust company, so organized to act, as administrator on the estate of a deceased person.

(Syllabus by the Court.)

The point decided is stated in the official syllabus given above.

DISCOUNT OF DRAFT WITH BILL OF LADING ANNEXED—ATTACHING CREDITOR.

Court of Appeals of Kentucky, September 23, 1904.

TEMPLE NATIONAL BANK *vs.* LOUISVILLE COTTON OIL COMPANY.

Where a bank discounts a draft with a bill of lading annexed, the goods therein mentioned become the property of the bank, and are not subject to attachment by a creditor of the shipper.

The Empire Mill Company, of Temple, Tex., sold to the Louisville Cotton Oil Company, fifteen tank cars of cottonseed oil to be loaded in the buyer's tanks.

The mill company then loaded the tanks and shipped them, drawing a sight draft for the amount of the price, which it attached to the bill of lading and discounted to the Temple National Bank. The draft was forwarded to Louisville and protested, and, being returned to the bank, on December 16, was charged back to the mill company; but on the 21st the mill company objecting to this and insisting that the bank should follow up its collateral, the mill company was credited again by the amount of the check, and on the 23d, the oil having reached Louisville, it was attached by the cotton oil company in this action brought to recover damages for the non-delivery of three tanks of oil pursuant to the contract for November.

The bank filed its petition, asserting its claim to the oil, and on final hearing the court gave judgment in favor of the plaintiff, giving it a lien on the oil for the damages sued for, and the bank appealed.

HOBSON, *J.* (omitting part of the opinion): In Sabel vs. Planters' National Bank, 110 Ky. 299, it was held, where the bank had discounted a

draft with bill of lading attached, that the goods could not be subjected by a creditor of the shipper for the debt against him. The case before us on the facts we have stated seems on all fours with that case.

But it is insisted that the bank in this case did not in fact own the draft, and that the property was always in the Empire Mill Company. The testimony of the officers of the bank is clear and explicit that the draft for $4,071.20, dated December 6, 1901, with bill of lading attached, was discounted by the Temple National Bank, and the proceeds placed to the credit of the Empire Mill Company; that no other security was taken by the bank, except the bill of lading, and that it forwarded the draft to its correspondent for collection; that the Empire Mill Company has never paid or refunded to the bank any part of the amount paid for the draft, and that the bank is now the owner of the draft; that it paid $490 on account of demurrage in the cars; that the mill company was in debt to the bank when the draft was negotiated, and has continued in debt to it since, being overdrawn even after the draft was credited back to it on December 21; and that the mill company has now sold its property, and is no longer carrying on business, and is also overdrawn with the bank. The proof by the plaintiff is that the mill company on December 21 and thereafter telegraphed to Louisville proposing to sell the oil and dealing with it as its property.

But the explanation of this is that the Cashier of the bank, not knowing what to do with the oil or being in the oil business, employed L. F. Cowan to sell the oil for it, and Cowan, who was also the president of the mill company, sent the telegrams and wrote the letters in the name of the Empire Mill Company; but this was without the knowledge of the bank, and should not prejudice its rights. To say that the bank did not own this property would be to reject the unimpeached testimony of the officers of the bank—testimony which on its face carries with it the unmistakable air of sincerity and truth. The fact that the draft, after it was protested, was charged back to the mill company, is explained, it having been done by the bookkeeper as a matter of routine, he not observing that the draft was protected by collateral which it was the duty of the bank to look after; and the mistake was corrected as soon as attention was called to it, and two days before the bank had any intimation of any suit or trouble.

We therefore conclude that the case falls squarely within the rule laid down in Sabel vs. Planters' National Bank, and that the property attached cannot be subjected to the claim of the appellee against the mill company.

Judgment reversed, and cause remanded with directions to the circuit court to dismiss the plaintiff's petition.

BANK BOOK—DUTY OF CUSTOMER TO EXAMINE.

Supreme Court of New York, Third Department, May, 1904.

KEMBLE *VS.* NATIONAL BANK OF RONDOUT.

In an action, which involved the issue whether on a certain date a depositor deposited a thousand dollar bill or a hundred dollar bill, it appeared that at the time of making the deposit the depositor was given a bank book containing a credit of $100, and that he did not discover the alleged error until eleven days afterwards, *Held* (1) that the depositor owed no duty to the bank to examine the book to ascertain whether the teller had credited the money correctly, and (2) that this was immaterial, since it did not appear that the bank had been prejudiced by the depositor's omission to examine the book.

The plaintiff claimed that on July 1, 1902, he deposited with the defendant a $1000 bill. This the defendant denied, claiming that the bill deposited was a $100 bill. When the deposit was received, the deposit ticket was made out by the teller himself as a deposit of $100, and upon the plaintiff asking for something to show for this deposit, the teller gave him a bank book upon which was credited a deposit of $100. The jury rendered a verdict for the plaintiff.

SMITH, J. (omitting part of the opinion): This deposit was made July 1, 1902. A bank book was thereupon given to the plaintiff as his receipt. On July 12, upon receipt of the check for $600, the Cashier of the bank telephoned to the plaintiff that he only had $100 in the bank. Thereupon the plaintiff went to the bank with his bank book, and opening it for the first time discovered that the bank book showed a deposit of $100 instead of $1000. Upon these facts, at the close of the charge, the appellant's attorney asked the court to charge "That it was the duty of the plaintiff to look at his pass-book when he received it, or within reasonable time thereafter, and if the defendant's position was prejudiced by the plaintiff's neglect in that respect, then the plaintiff cannot recover." The court: "I decline to charge that; I leave that to the jury to determine. Defendant excepted."

The apparent effect of the ruling of the court was to leave to the jury to determine whether it was the plaintiff's duty to look at his pass-book when he received it or within a reasonable time thereafter, as well as the question whether his failure so to examine his pass-book had prejudiced the defendant. If the law imposes this duty upon the plaintiff in this case, the appellant contends that the court was in error in refusing to charge the request. Appellant strongly contends that the authorities establish the duty of a depositor to examine his bank book within a reasonable time that he may notify the bank of errors therein which might be cured by prompt action on the part of the bank, or which might prevent further losses by the bank. It cites in support of its contention the case of Leather Manufacturers' Bank vs. Morgan, 117 U. S. 96, and the case of Critten vs. Chemical National Bank, 171 N. Y. 220.

Those were cases, however, where the bank had paid a series of forged checks, and it was there held that inasmuch as the bank was liable to be deceived by skillful forgeries, there was a duty upon the part of the depositor to examine his vouchers when returned, in connection with his check book, so as to ascertain if the checks paid were genuine or forged checks.

In this State the duty of the depositor and the consequences of neglect of that duty is well defined in the case last cited. In that case the head note in part reads: "A bank depositor owes to the bank the duty of exercising reasonable care to verify returned vouchers by the record kept by him of the checks he has issued, for the purpose of detecting forgeries or alterations. A depositor by neglecting his duty in this respect, or by failing to discover and notify the bank of forgeries, does not, however, adopt raised checks as genuine and ratify their payment or estop himself from asserting that they are forgeries—his liability is limited to the damages sustained by the bank in consequence of such neglect. A bank is not relieved from liability for raised checks, which it had paid before the account was balanced, by the failure of the depositor to subsequently discover the alterations unless thereby the bank has lost an opportunity to obtain restitution. A bank is, however, relieved from responsibility for

raised checks which it paid after the account was balanced, by the negligence of the depositor in the examination of the returned vouchers and comparison with stubs of his check book which would have disclosed the alterations and prevented the subsequent frauds, in the absence of negligence on the part of the bank in paying the checks."

It will thus be seen that the depositor is not estopped, provided the negligence on the part of the bank concurred to create the loss to the bank. No authority is cited as holding, and I do not conceive that it can be the law, that a depositor is bound to examine his bank book to discover whether the bank Cashier has blundered in counting the money deposited. In such case the loss to the bank is not innocently suffered, but is the direct result of its own gross neglect, in which case, within the authorities cited, the depositor can in no case be estopped. If, however, it could be held that the plaintiff owed some duty to the bank to examine the bank book to see whether the amount deposited had been properly entered, an estoppel cannot arise unless upon the evidence the bank has been prejudiced by that neglect on the part of the plaintiff. There is in this case no evidence whatever of any prejudice which would sustain a verdict of the jury based thereupon. It doees not appear that any parties drawing from the bank on that day sums of $100 or more could not be found and their testimony not be secured. The defendant should show prejudice before the plaintiff can be held estopped, and any verdict finding that the defendant had been prejudiced by the plaintiff's delay in this case could only be based upon speculation, in which a jury should not be allowed to indulge.

Judgment affirmed.

ACTION AGAINST DIRECTORS—WHEN STOCKHOLDER MAY BRING.

Court of Appeals of New York, August 5, 1904.

HANNA, *et al. vs.* LYON, *et al.*

In order that a stockholder of a bank may bring an action against the directors for losses caused by their negligence, he must have been a stockholder at the time when the acts complained of were committed, and must also be such stockholder when the action is brought.

This was an action by David J. Hanna, suing for himself and all of the stockholders of the People's National Bank of Salem and others, against Susan A. Lyon and others, executors of Charles Lyon.

PARKER, *C. J.*: The findings of the trial court establish conclusively that the defendants' testators, Charles P. Lyon and Joshua J. Rogers, were, as officers and directors of the People's National Bank of Salem, N. Y., guilty of negligence resulting in a loss of many thousands of dollars to the bank—a loss so great that an assessment equal to the capital stock was charged upon the stockholders. Upon these findings the trial court gave judgment for the plaintiffs, which was reversed in the appellate division, and the complaint dismissed. The form of the order of reversal was such as to make it the duty of this court, under section 1338 of the Code of Civil Procedure, to assume that it was not reversed upon the facts.

The question presented for our determination is whether either of the plaintiffs is entitled to maintain an action against the defendants upon the facts found. The law is settled in this State that directors of monetary corporations are held to the same degree of care that men of ordinary pru-

dence exercise in regard to their own affairs. (Cassidy vs. Uhlmann, 170 N. Y. 517; Bloom vs. National Savings and Loan Co. 81 Hun, 120, affirmed in 152 N. Y. 114; Hun vs. Cary, 82 N. Y. 72.)

Applying this rule to the facts found in this case, there can be no doubt that Lyon and Rogers were liable to the bank.

The bank could have successfully prosecuted an action against the defendants, but it did not do so; and in such a case it is well settled that a stockholder may bring such an action in behalf of himself and all others in like situation, either after demand made that the bank should bring the action, and its refusal, or without demand where the persons who committed the wrongful acts continue to be directors of the corporation. (Brinckerhoff vs. Bostwick, 88 N. Y. 52; Same vs. Same, 99 N. Y. 185; Same vs. Same, 105 N. Y. 567; Sage vs. Culver, 147 N. Y. 247; Dykman vs. Kenney, 154 N. Y. 483.)

In such a case the purpose of the action is for the restoration, for the benefit of all concerned, of the corporate funds wasted or lost through the fault of the directors of the corporation.

The plaintiff Hanna by his complaint brought himself within the rule established by these authorities, by alleging, in effect, that all of the present directors of the bank, with one exception, were directors of the bank at the time of the acts and misconduct which led to the suspension of the bank. and that all of the old directors were guilty of negligence and misconduct in connection with their supervision and management of the bank, and the bank was made a party defendant. But while the plaintiff Hanna was a stockholder at the time of the commission of the acts of which he complained, he had ceased to be a stockholder at the time of the commencement of the action, and hence was without authority to maintain it. His rights as a stockholder had passed to the subsequent purchaser of the stock, and the appellate division was therefore right in reversing the judgment as to him, and dismissing the complaint.

CERTIFIED CHECK—WHEN HOLDER MAY RECOVER AMOUNT THEREOF FROM THE BANK.

Supreme Court of New York, Appellate Term, February, 1904.

WILLIAM F. POESS *vs.* THE TWELFTH WARD BANK OF THE CITY OF NEW YORK.

A bank which has certified the check of a depositor payable to his own order becomes an acceptor primarily liable thereon to any bona fide holder thereof.

Where the check, retained by the depositor after acceptance, is, after he has endorsed it, stolen from him and is, after being endorsed by another, taken by a banker in due course and deposited by him with the bank for collection, he is entitled as between himself and the maker to have the bank pay it to him as the lawful holder, although it was stolen and the maker had in the meantime stopped its payment.

The payment of the check in due course discharges it under section ninety of the Negotiable Instruments Law.

Where after such payment the banker, upon the bank's demand made after discovery of the theft and for the benefit of the maker, refunds the amount of the check and the check is surrendered to the banker, he is estopped from thereafter recovering upon it against the bank as he has exonerated it as acceptor or principal debtor.

The maker of the check is entitled to recover of the bank the amount of the check where the amount was deposited to his account when the banker refunded.

Appeal by the defendant from a judgment of the Municipal Court. The action was brought to recover the sum of $500, which plaintiff had on deposit with the defendant.

On or about April 29, 1903, he drew a check upon the defendant bank for the sum of $500, payable to his own order, and caused the same to be certified by the bank. The plaintiff did not use the check until on or about July 29, when he took the check out of his safe, where he had kept it, indorsed it in blank and made out a slip for redepositing it in the bank. He then put the bank book with the check and the slip of deposit in his pocket, and went to the bank, but when he arrived at the bank and presented the bank book to the receiving teller, the check was missing. The receiving teller told him to go over and tell the paying teller that he had lost the check and have payment stopped, and the plaintiff accordingly went to the paying teller and made out a stop-slip check.

About five days afterward the plaintiff received word from the bank that the check had come up through the exchange, and the plaintiff went up to the bank and identified the check. There were two names indorsed on the check below that of the plaintiff. The Cashier told the plaintiff to go down and see the last indorser, an Italian banker by the name of Zuccaro, who had deposited the check for collection, and to see if he could get the money back from the banker, and he called a messenger, one Mr. Finnegan, and gave him the check and instructed him to go down with the plaintiff to see Zuccaro. The plaintiff and Finnegan went down to the place of business of Zuccaro, explained the case to him, and the plaintiff asserted that the check had been stolen. The banker then went with the plaintiff and Finnegan to the former residence of the man from whom he received the check, but could not find him. Finnegan then told the banker that the bank held him responsible for the check, and that the banker would have to hold the man from whom he got it, and the banker gave up the $500 to Finnegan, who gave him back the check. The plaintiff thereupon made out a deposit slip and handed it to Finnegan and requested him to deposit the $500 so received from the banker to his, the plaintiff's, account in defendant's bank, and they parted with the understanding that this should be done. The next day the plaintiff went to see the Cashier of the bank and was told that the bank could not do anything for the present, and that the plaintiff would have to give a bond in order to get the money, because Zuccaro might sue the bank, but no claim was made that the money had not been redeposited to plaintiff's account.

GILDERSLEEVE, *J.*: The relation between the bank and the plaintiff was that of debtor and creditor. The effect of the certification of the check, by the defendant, was to charge plaintiff with $500, pass that amount to the credit of the check, and make the defendant, as acceptor, primarily liable for its payment to any bona fide holder thereof. (First National Bank vs. Leach, 52 N. Y. 350; Daniel Neg. Inst., Sec. 1903; People vs. St. Nicholas Bank, 77 Hun, 160.)

The check in question had been duly indorsed and was negotiable. Its possession by Zuccaro, before he passed it forward for collection, was prima facie evidence of title. His good faith is not assailed, and his title to the check was not affected by the fact that it had been stolen, and never had a valid delivery. Zuccaro received the check in the usual course of business and without notice of any infirmity.

"Where the instrument is no longer in the possession of a party whose

signature appears thereon, a valid and intentional delivery is presumed until the contrary is proved." (Neg. Inst. Law, Sec. 35; Am. & Eng. Encyc. of Law [2d ed.], 320; Shipley vs. Carroll, 45 Ill. 285; Case vs. Mechanics' Banking Assn., 4 N. Y. 166.)

For the reasons above stated, as between Zuccaro and the defendant, he was entitled to have the check honored and paid, and it must be presumed that the payment of the check by the defendant was made to the lawful holder in good faith.

Notice to the defendant that the check had been lost, and the direction by the plaintiff not to pay the check, if presented, could not operate, under the circumstances, to the prejudice of Zuccaro, and affect his rights. (Nassau Bank vs. Broadway Bank, 54 Barb. 236; 10 Am. & Eng. Encyc. of Law [2d ed.], 553.)

The authorities above cited also support this latter proposition.

We, therefore, see that if Zuccaro had not repaid the $500 which he had received through the collection of the check in due course, the parties to this action would have been powerless to compel him to refund.

But Zuccaro having, on their demand, voluntarily repaid the amount he had thus received, the question presented is whether he can maintain any further claim against the defendant.

We think this question demands an answer favorable to the plaintiff. The defendant lost nothing by certifying and paying the check in due course, because it had appropriated sufficient funds of the plaintiff for that purpose at the time of the certification, and upon its payment in due course the check became discharged under the express provision of section ninety of the Negotiable Instruments Law. That being so, Zuccaro can no longer maintain an action against the defendant upon its acceptance or certification. The check was simply surrendered to him after its payment, in due course, to enable him to pursue his remedy against the party from whom he had taken it. Much less can an action be maintained by any one claiming through him. The check is not in the record, but, since it was paid by the defendant, we must infer that it bears upon its face unmistakable evidence of payment. There never hereafter can be a bona fide holder thereof. The defendant's situation is to all intents and purposes the same as if an honest finder of the check had returned it to the bank making no claim upon it.

The rule on this subject is that if the holder expressly renounces a claim against the acceptor "his hands are then untied, and he is left free to account to the drawer for the funds in his hands, or at least is no longer bound to appropriate them to the payment of the bill. * * * To permit the holder, after thus exonerating the acceptor, to recur to him for payment, would work in many cases the harshest injustice, and he is estopped from doing so." (Daniel Neg. Inst., Secs. 542, 544.)

Here, the discharge of the defendant was complete when the check was paid in due course. The defendant's messenger, for plaintiff's benefit, demanded the repayment of the money the defendant had paid Zuccaro, and threatened to hold him responsible for it. He yielded to that demand and refunded the money, and the check was surrendered to him. Under the authorities Zuccaro is estopped to recover the same money from the defendant.

The pleadings were oral, the plaintiff pleading money had and received, and, on the trial, he was permitted to add a claim for conversion.

The record shows that the defendant's attorney, at the trial consented that the plaintiff might plead "anything you want."

Judgment was rendered for the full amount claimed. It does not appear from the decision upon what character of action the judgment is based. In view of the liberal practice allowed in the Municipal Court in respect to pleadings, and especially in view of the consent of the defendant's attorney, the pleadings may be deemed to have been amended to conform to the proof, which establishes a cause of action, although not one for conversion.

We think the proof sustains such an action and that the judgment is right and should be affirmed, with costs to the respondent.

LIABILITY OF BANK FOR AIDING CONSPIRACY TO DEFRAUD.

United States Circuit Court, District of Missouri, June 14, 1904.

WRIGHT *vs.* STEWART, *et al.*

A banking corporation may become a party to a fraudulent conspiracy, the same as a natural person, with like responsibility. It and its managing officers may legitimately receive on deposit the moneys of a gambler, with reason to believe it was won in gaming or by other questionable means; but they cross the line of permissibility when, with a knowledge that such depositor is obtaining the money by fraud or theft, they do acts in aid of the wrongful means by which the money is obtained.

This was an action against a bank, its President and Cashier, to recover the sum of five thousand dollars lost by the plaintiff on a fraudulent foot-race.

PHILIPS, *District J.* (omitting part of the opinion): It may be conceded that a banking institution may legitimately receive on deposit the moneys of a gambler, with reason to believe it was won in gaming, or by other questionable means, without accountability to any one save the depositor. But a bank and its managing officers cross the dividing line between what is permissible and what is forbidden when, with the conscious knowledge that the depositor is obtaining the money by fraud or theft, they do acts in aid of the means by which the money is thus obtained from others. When it co-operates with organized conspirators, it becomes equally liable with them, and each of them, to the party wronged for the money it receives on deposit, stolen by the more active conspirations from their victims, and for the money which it consciously obtains from the victim on his letter of credit, draft, or check by reason of the bank's assistance or inducement. A party who encourages or promotes, knowingly, the commission of a trespass or a fraud, is equally liable with the active participants. All are liable in solido. (Wallace vs. Miller, 15 La. Ann. 449; Irwin vs. Scribner, 15 La. Ann. 583; De Donato vs. Morrison, 160 Mo. 591, 592, 62 S. W. 641; Waterman on Trespass, vol. 1, p. 23. See note to State vs. Hildreth, 51 Am. Dec. 373.)

A corporation, like this bank, may become a party to a conspiracy to defraud and be held liable as a joint tort-feasor "to the same extent and under the same circumstances as natural persons for the consequences of its wrongful acts, and will be held to respond in a civil action at the suit of an injured party for every grade and description of forcible, malicious, or negligent tort or wrong which it commits, however foreign to its nature, or

beyond its granted powers, the wrongful transaction or act may be." (Alexander vs. Relfe, 74 Mo. 517; Zinc Carbonate Company vs. First National Bank (Wis.) 79 N. W. 229, 74 Am. St. Rep. 845.)

It is equally well settled that, where there is a conspiracy to commit fraud or larceny, each person in the confederation, though not actually present at the taking and appropriation, is guilty. (Commonwealth vs. Hollister, 157 Pa. 13, 27 Atl. 386, 25 L. R. A. 349.) The bank cannot receive and enjoy the benefits of the ill-gotten gains or the wrongs perpetrated by its members in their official capacity to the detriment of another without being equally liable with its managing officers. That the defendants Joseph C. and James P. Stewart, President and Cashier, respectively, of the defendant bank, practically owning all of the stock and managing its affairs, had knowledge at the time of the swindle practiced on the plaintiff that the "Buckfoot gang," with Boatright as the inspiration and directing mind, long anterior to and at the time in question, were engaged in conducting fake foot-races and fleecing outsiders, quite satisfactorily appears in this evidence. I am furthermore persuaded that the part played in said scheme by the Stewarts, acting for the bank, was of such character that without its co-operation, or some other similarly situated bank, the scheme of the conspirators would not have been so successfully conducted.

* * * * * * * * * *

The issues are found for the plaintiff as to the $5,000 drawn by the plaintiff from the defendant bank, with interest thereon from the 7th day of September, 1901, when plaintiff made demand of Boatright for the return of the money.

Judgment accordingly.

TAXATION OF NATIONAL BANK STOCK—UNITED STATES BONDS—APPLICATION FOR REVIEW OF ASSESSMENT.

Supreme Court of Iowa, April 8, 1904.

FIRST NATIONAL BANK OF INDEPENDENCE *vs.* CITY OF INDEPENDENCE, *et al.*

In estimating the value of the stock of a National bank for taxation, it is not necessary to exclude that part of the assets represented by United States bonds.

Under the statute of Iowa, which requires banks to pay the tax assessed upon the shares owned by the stockholders, the bank is to be regarded as agent for its stockholders, and may make complaint to the board of review, and take an appeal from the decision of the board.

In April, 1902, the city assessor, upon statements furnished him, and from information otherwise obtained, fixed the value of the stock of the First National Bank, of Independence, at the sum of $180,000. From this sum he deducted $20,000 as being the value of the real estate owned by the bank, and entered an assessment against the stockholders for the balance remaining. The bank appeared before the city council, and complained of the assessment, and asked that it be reduced $26,000 for the reason that of the bank assets this sum was invested in United States bonds which were exempt from taxation. The board refused to make the reduction, and the bank appealed to the district court. Trial being had, the court entered a decree reducing the assessment as prayed. This appeal was prosecuted from such decree.

BISHOP, J.: The complaint was made before the board of review by the bank, and the appeal to the district court was taken in the name of the bank. Upon the submission of the case to the trial court, it was insisted that the bank, as such, had no authority to make complaint or to prosecute an appeal from the action of the board, and this for the reason that the assessment was made against the stockholders, and not against the bank, and that the latter is not, therefore, the real party in interest. The point is again insisted upon in argument in this court.

We think the contention is devoid of merit. True, the shares of stock are assessed to the stockholders, but they are to be assessed at the place where the bank is located, without reference to the place of residence of the stockholders. The officers of the bank are required to furnish a list of the stockholders, together with the number of shares owned by each, and to furnish the assessor with all data in its possession to enable him to arrive at the assessable value of the stock. As an ultimate proposition, the financial condition of the bank must dominate the amount of the assessment. So, too, by statute the bank is required to pay the taxes levied upon the stock pursuant to the assessment made. (Code, § 1325.)

In a sense, therefore, and by force of the statute, the bank is the agent of its stockholders respecting the matter of assessment for taxation purposes and the payment of taxes levied. Moreover, the proceeding is in equity. The controversy affects a large number of stockholders, each in like manner, and while, undoubtedly, each might appear in person, make complaint, and take an appeal, still the merit of the controversy as affecting all can be as well determined in one proceeding. And this can surely find favor in equity, because thereby a multiplicity of actions is avoided. Taking into consideration the relation of the bank to its stockholders, and in view of the fact that it is called upon by law to answer for them in the matter of assessment, we conclude that it may be heard to make complaint in respect thereof for their benefit.

Coming to the merits of the controversy, we think the case is ruled by Bank vs. Mayor, etc. (Iowa) 94 N. W. 234. The assessment is upon the shares of stock, not upon the assets of the bank, and the sole inquiry has relation to the value of such shares. Material to this inquiry are all the personal assets of the bank, and, as was said in the case cited, if United States bonds are owned by the bank, these should be taken into account. (See, also, Van Allen vs. The Assessor, 3 Wall. 573; Palmer vs. McMahon, 10 Supt. Ct. 324; Bank vs. Burlington [Iowa] 91 N. W. 829.)

It follows that the decree of the trial court should be and it is reversed.

WHEN DRAWING AND DELIVERY OF A CHECK WILL AMOUNT TO ASSIGNMENT OF FUND.

Court of Civil Appeals of Texas, April 13, 1904.

NEW YORK LIFE INSURANCE CO. *vs.* PATTERSON & WALLACE.

The holder of an unaccepted check cannot maintain an action thereon against the bank.

But while the mere drawing and delivery of a check does not operate as an assignment of the fund, the transaction may be attended by such other circumstances that it will have this effect.

The New York Life Insurance Company brought suit against C. T. Richardson and others for the sum of $25,000, and obtained a writ of gar-

nishment against the American National Bank, of Dallas, alleging that one Willis Meredith, who had been using a number of aliases, among others that of W. Mannering or Ward Mannering, had funds deposited in that bank.

The bank answered, in substance, that it had funds in hand, amounting to $283, which Ward Mannering had placed in its vaults as a general deposit. It also alleged that Patterson & Wallace claimed that the amount deposited by Mannering, or some portion thereof, belonged to them, and asked that Patterson & Wallace be made parties, and the question settled as to the ownership of the funds. Patterson & Wallace filed their plea of intervention, claiming $275 of the funds by reason of an alleged assignment thereof to them made by Mannering.

The case was submitted to the court without a jury, and the following facts were agreed to and proven:

"(1) That the New York Life Insurance Company has a valid judgment against Ward Mannering for a sum largely in excess of the money admitted by the garnishee to be in its hands, to wit, for the sum of $25,000, and that the writ of garnishment served on the garnishee was issued out of the case in which said judgment was rendered.

(2) That on November 6, 1902, Ward Mannering was under arrest in El Paso, Tex., charged with criminal offense against the laws of the State.

That Patterson & Wallace were and are practicing attorneys at El Paso. Tex., and as such were on said date employed by the said Ward Mannering to defend him against said criminal charge.

(3) That on said date the said Ward Mannering executed and delivered to the State National Bank of El Paso, Tex., the following draft:

$250.00 El Paso, Texas, Nov. 6, 1902.

At sight, pay to the order of the State National Bank, of El Paso, Texas, two hundred and fifty dollars, value received, and charge to account of, with exchange. Ward Mannering.

To American National Bank, Dallas, Texas.

That said draft was by said Ward Mannering delivered to his said attorneys, Patterson & Wallace, and was by said attorneys delivered to the State National Bank, of El Paso.

(4) That, after the execution and delivery of said draft, the State National Bank, of El Paso, sent the following telegram to the American National Bank at Dallas, Texas, to wit: 'El Paso, Texas, November 6, 1902. Am. Nat. Bank, Dallas, Texas: Will you pay draft on you by Ward Mannering for two hundred and fifty dollars? [signed] State Nat. Bank.'

(5) That said telegram was received by the American National Bank at Dallas, Tex., at 12:52 p. m., November 6, 1902, and said American National Bank, at 1 p. m. on the same date, replied thereto by telegram, as follows: 'Dallas, Texas, November 6, 1902. State National Bank, El Paso, Texas: Ward Mannering's account is good now for two hundred and eighty three dollars. The Am. Nat. Bank.'

That said last telegram was received by the State National Bank at El Paso, Tex., on the afternoon of the same day it was sent.

(6) That, after the receipt of the said telegram by the State National Bank, the said Ward Mannering executed and delivered to the said State National Bank another draft for the sum of $25, and delivered the same to the said Patterson & Wallace as the first, and which said draft was by the said Patterson & Wallace delivered to the said bank, and is as follows:

$25.00 El Paso, Texas, Nov. 6, 1902.

At sight, pay to the order of the State National Bank, of El Paso, Texas, twenty-five ($25.00) dollars, value received, and charge to account of, with exchange. Ward Mannering.

To American National Bank, Dallas, Texas.

(7) That on the said 6th day of November, 1902, and about one hour after the said American National Bank had sent to the State National Bank the telegram above quoted, the said American National Bank sent to the State National Bank a second telegram, stating, in substance, that it had learned that a writ of garnishment would probably be served upon it in behalf of the New York Life Insurance Company and against the said Ward Mannering.

(8) That on the evening of the 6th day of November, 1902, the State National Bank of El Paso forwarded, by due course of mail, the two drafts above described to the American National Bank at Dallas for payment, and that the said drafts reached the American National Bank at Dallas on the morning of November 8, 1902.

(9) That on the 7th day of November, 1902, the writ of garnishment under which the New York Life Insurance Company claims the money in this case was served upon the garnishee, the American National Bank, the said drafts being then in transit by the United States mail, at some point between El Paso, Tex., and Dallas, Tex. That on the morning of November 8, 1902, when said drafts reached the American National Bank at Dallas and were presented, payment thereof was refused by the said bank because the writ of garnishment issued in this cause had been served upon it the day before, and said drafts were duly protested for non-payment and returned to the State National Bank at El Paso, Tex., the protest fees upon each draft amounting to $3.54, or a total of $7.08, which was paid by Patterson & Wallace. That after said protest, and after the return of said drafts to the State National Bank, it indorsed the same as follows: 'Pay to the order of Patterson & Wallace, without recourse. State National Bank, by Cashier,' and thereafter delivered same to said Patterson & Wallace."

Eidson, *J.* (omitting part of the opinion): There is no doubt that the holder of an unaccepted bank check cannot maintain an action thereon against the bank. (House vs. Kountze, 17 Tex. Civ. App. 402. Terry vs. Dale [Tex. Civ. App.] 65 S. W. 396.) And the simple drawing and delivering a check or draft does not assign the fund against which it is drawn.

In this case, however, there was more than merely drawing and delivering a check. The drawer owed the party for whose benefit the checks were drawn the amounts for which they were drawn, and it was agreed by him and them that he would pay to them the aggregate amount of the two checks on his indebtedness to them. He had, prior to the execution and delivery of the checks, informed them that he had funds in the Dallas bank, and desired to pay them out of that fund, and the method of collecting or getting the money out of the bank was discussed, and it was agreed between interveners and the said Mannering that he should issue a check payable to the El Paso bank, so that that bank could collect the amount and pay same over to interveners. Immediately after the first check was issued, interveners had the El Paso bank telegraph the Dallas bank to ascertain whether or not Mannering had funds in that bank, and

that bank replied that he had deposited with it $283. Then the said Mannering issued the second check and delivered it to interveners, and they then gave to the said Mannering their receipt for the aggregate amount of the two checks.

The legitimate inference from the testimony in the record is that it was intended by the said Mannering to transfer or assign to interveners $275 of the fund he had deposited with the Dallas bank. Interveners gave him credit on their account against him for that amount, and he took from them their receipt for the same, and the checks were issued simply for the purpose of enabling interveners to collect said amount, and not in the ordinary course of business.

Judgment affirmed.

PROMISSORY NOTE—NEGOTIABLE INSTRUMENTS LAW—PLACE OF PRESENTMENT—NOTARY'S CERTIFICATE.

Supreme Court of North Dakota, September 10, 1904.

NELSON *vs.* GROUDAHL.

Where a promissory note expresses on its face that it is payable at a certain store, presentment for payment at such store is sufficient under the Negotiable Instruments Law.

Under the Negotiable Instruments Law, where a note specifies on its face the place where it is payable, presentment at that place is sufficient, and no personal demand on the maker is necessary.

Oral testimony is admissible to show facts occurring on a presentment of a note for payment which are not stated in the notary public's certificate of presentment.

A notary public's testimony that he invariably presented notes for payment at the place where they were made payable, is admissible to establish the place of presentment, where the notary's certificate of protest fails to show the place of presentment, and the notary has no independent recollection of the specific presentment evidenced by his certificate.

This action was brought against the defendant as indorser of a promissory note of which he was the payee. The plaintiff, in his complaint, alleged that one Steffes made and delivered such promissory note to the defendant and that the defendant duly indorsed and transferred it to the plaintiff for value, and that the note was duly presented for payment when due, and payment refused. The defense attempted to be proven at the trial was that the note was not presented for payment in the manner provided by law. At the close of the taking of the testimony the district court directed a verdict for the plaintiff for the sum of $339.84, the amount claimed to be due in the complaint, and denied defendant's motion to direct a verdict.

MORGAN, *J.*: The certificate of the notary who protested the note for non-payment is in evidence, and recites that "I * * * did present the note hereto attached * * * and demanded payment thereof, which was refused." The certificate is silent as to the place of presentment and as to the person to whom presentment was made. The note was, by its express terms, made payable to Groudahl, the defendant, "at his store in Fargo, North Dakota."

The respondent contends that the certificate of the notary is of itself insufficient to show a proper presentment of the note for payment to the maker, and that the evidence, outside of the certificate, is not competent to prove that the note was presented for payment as required by the terms of the statute.

Section seventy-three of the Negotiable Instruments Law of 1899 (Civ. Code, p. 1048) provides that "presentment for payment is made at the proper place where a place of payment is specified in the note and it is there presented." Section seventy-two of the same law provides that presentment for payment is sufficient when made at the proper place to the person primarily liable on the instrument, or, if he is absent or inaccessible, to any person found at the place where presentment is made.

The trial court granted the motion for judgment notwithstanding the verdict on the ground that the notary's certificate did not show presentment of the note for payment at the place where the note was, by its terms, made payable, and that the notary's evidence of that fact was not competent to prove such presentment, he having stated that he had no independent recollection of the fact of such presentment.

If the fact of presentment for payment, as required by the statute, is supported by any competent evidence that reasonably tends to show due presentment, the granting of the motion for judgment was erroneous. The notary was called as a witness, and testified that he recollected that the note was by him presented for payment; that he had no independent recollection of the fact, but that he so testified from an inspection of his certificate stating the fact. He further testified that in cases where notes specified the place where payment was to be made he presented them at that place, and that he did so in every instance. Whether this evidence, in addition to the certificate, is competent, and sufficient to show presentment for payment at the proper place in accordance with the statute, is the only question arising on the appeal.

It is first claimed that there is no evidence that the note was presented to the person primarily liable on the note; that is, the maker. The certificate does not state the name of the person to whom it was presented, and the notary does not give the name of the person in his testimony.

A presentment at the bank where a note is payable is a sufficient presentment to the maker, although the name of the person to whom presented is not given. It is held to have been made to some person connected with the bank. This is expressly held in Ashe vs. Beasley, 6 N. D. 191. If the notary's evidence is receivable, it brings the evidence in this record within the rule stated in Ashe vs. Beasley, supra, and is sufficient to show presentment at the store where the note was made payable, and to a person connected with such store. (See Douglas vs. Bank of Commerce [Tenn.] 36 S. W. 874; 1 Daniel, Neg. Inst. [5th Ed.] section 635.) In such cases no personal demand on the maker is necessary. He is primarily liable on his promise to pay. (Section 70, Neg. Inst. Law 1899, Civ. Code, p. 1048.)

A presentment is necessary in order to fix the liability of the indorser, which is a conditional obligation to pay the note if not paid at maturity by the maker. If a maker stipulates to pay at maturity at a specified place, and the note is there presented for payment at its maturity, and payment refused or not made, the liability of the indorser is fixed after notice to him, although there was no personal demand made on the maker. (Pearson vs. Bank of the Metropolis, 1 Pet. 89; State Bank vs. Hurd, 12 Mass. 172; Whitwell vs. Johnson, 17 Mass. 499; Meyer vs. Hibsher, 47 N. Y. 265.)

A presentment at the store was therefore sufficient to bind the indorser after notice to him of the fact. It remains to be determined whether the evidence of the notary was admissible to supply facts that occurred in

reference to the presentment that were omitted from the recitals of this certificate. It is well settled that the facts stated in the certificate of protest of promissory notes may be supplemented by other facts that transpired, and that such other facts may be shown by the oral testimony of the notary or by other testimony. (Ashe vs. Beasley, supra; Seneca County Bank vs. Neass, 5 Denio, 334; Daniel, Neg. Inst. [5th Ed.] section 969, and cases cited.)

On this question the respondent does not contend that the defects of the notary's certificate may not be supplied, but he earnestly contends that there is no evidence of presentment at the proper place, because the notary testifies that he has no independent recollection of such fact aside from the certificate. Respondent contends that the notary's evidence that he presented notes for payment in every instance at the place where payable is inadmissible merely as a statement of his custom unaccompanied by some recollection of the fact. We agree that on authority and principle the evidence should be held admissible in cases like the one under consideration. The evidence objected to in this case is not merely the statement of the notary's custom only. He had his certificate of protest before him, from which he was able to say that a presentment was made by him of the note described. The fact of a presentment was established by the certificate in a general way, but not definitely. Whether the presentment was made at a right place was not stated nor established thereby. The certificate showed some kind of a presentment, but one not necessarily legal or proper under the statute. The bare allegation that the note was presented for payment is not equivalent to certifying that the note was presented at the place where it should have been done. The certificate of the notary is evidence only of facts stated therein, and it will not be enlarged by indulging in presumptions. The facts must be stated, and, if stated, the certificate is prima facie evidence that the facts properly a part of such certificate are true. (People's Bank vs. Brooke, 31 Md. 7; Duckert vs. Von Lileinthal, 11 Wis. 56; Magoun vs. Walker, 49 Me. 419; Insurance Co. vs. Wilson, 29 W. Va. 528.)

The witness's invariable practice was proper evidence to sustain and to supplement the statements of the certificate that presentment had been made.

In Eureka Ins. Co. vs. Robinson, 56 Pa. 256, it is said: "We think it not uncommon in practice to corroborate the defective memory of a witness by proof of what was his habit in similar circumstances. Thus a subscribing witness to a will or a bond, if unable to recollect whether he saw the testator or obligor sign the instrument, or heard it acknowledged, is often permitted to testify to his own habit never to sign as a witness without seeing the party sign whose signature he attests, or hearing that signature acknowledged. And it seems to be persuasive and legitimate 'supporting' evidence." (See, also, Flack vs. Green, 3 Gill & J. 474; Miller vs. Hackley, 5 Johns, 375; Gillette on Indirect and Collateral Ev., Section 68; Martin vs. Smith [Mich.] 66 N. W. 61; Seneca County Bank vs. Neass, supra; Lindenberger vs. Beall, 6 Wheat. 104; State vs. Rawls, 2 Nott & McC. 331.)

The testimony was therefore competent to support or corroborate the notary's evidence that he recollected presenting the note for payment, and, together with the certificate, was sufficient to take the case to the jury on the question of due presentment of the note to the maker for payment.

The judgment is reversed, and the cause remanded for further proceedings. All concur.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

ESTOPPEL—FORGERY—PROMISSORY NOTE—DISCOUNT—DUTY TO NOTIFY HOLDER.

EWING VS. THE DOMINION BANK (35 Supreme Court Reports, p. 133).

The judgment of the Court of Appeal for Ontario appears on page 31 of the July number of THE BANKERS' MAGAZINE. Since that time the appeal to the Supreme Court of Canada has been argued and judgment given. The Chief Justice of the court did not hear the appeal, and the other five judges were divided in their opinions, three agreeing with the judgment of the court below and two holding that the appeal should be allowed.

The case is without precedent in the Canadian courts, and is one which is exciting great interest in both the legal and banking professions in Canada. It is a matter for regret that space will not permit the publication here of the able dissenting judgments in the Supreme Court.

STATEMENT OF FACTS: One Wallace was the manager of, and perhaps interested in, a business carried on by Walter C. Bonnell, under the name of the Thomas Phosphate Company, which previous to August 14, 1900, had done some banking business with the plaintiffs. On August 15 Wallace procured the note now sued on to be discounted by the bank for the Phosphate Company, and the proceeds were placed to the company's credit. On August 15 and 16 checks were issued by the company against the proceeds of the deposit and other small deposits, payment of which left a balance to their credit at the close of business on the 15th of $1,611.55; on the 16th of $1,355, and on the 17th, $84.

On the 15th the bank sent a memo. to the defendants, who reside in Montreal, in the following terms:

"Toronto, August 15, 1900. You will please take notice that your note for $2,000, to the Thomas Phosphate Company, falls due at this bank on December 17, 1900, and you are requested to provide for the same. A. P. Assistant Manager. To Messrs. Ewing & Co., Montreal."

This was received by the defendants on August 16. To the bank they made no response and took no notice of the memo., but between themselves and Wallace an active correspondence by telegram and letter was kept up, beginning on August 16 and ending on December 5; on the defendants' side at first asking for an explanation before advising the bank, and then urgently insisting on the note being taken up; while Wallace's letters were filled with the usual regrets and excuses for his conduct, and vain promises to settle the note and relieve the defendants' anxiety.

The defendants appreciated the gravity of the situation, warning Wallace by telegram and letter on August 16 that "the Phosphate Company have no note of ours" and that "before advising the bank of this, thought it better for you that we should ask you what it means," and that "we have to act promptly and to advise the bank at once to save ourselves." On the 21st, that "the only way out of it is for you to take it—the note—up, and that at once," and that "contrary to advice received, we have held off for a day before notifying the bank." On the 23d, that "our lawyers told us

distinctly that we ought at once to advise the bank, in fact to do so the night we wrote to you. We are now going against their advice. For God's sake, fix it at once, else we don't know how the thing will end," and on the 25th in a similar strain, repeating the warning they had received from the lawyers, and adding "what can we do? We want to protect ourselves. So far we have only been protecting you, and to-morrow we must know something definite, as we cannot longer run the risk we are doing."

On the 22d October: "By our silence we may now be responsible, but this responsibility we should certainly dispute, and you know the only way we could dispute it—but it would be a vile job." On December 4 the plaintiffs wrote defendants a formal letter, advising them that they were the holders of a note made by them dated August 14, 1900, and payable at their branch office on the 17th instant, and requesting defendants to provide for same. The defendants wrote to Wallace on December 5, enclosing a copy of this letter, "which we certainly cannot let go unanswered. We have protected you as long as possible, but must now protect ourselves. We have decided, however, not to reply to this till Monday, the 10th inst., thus giving you as long a time as possible, but on that day unless, etc., we will certainly write to the bank denying the note."

On the 10th they did so, and advised Wallace "we have replied to the bank that we have not given such a note."

The Bank Manager said that the note came into the bank's possession on August 14, 1900; the discount was not agreed upon till the 15th; that Wallace, i. e., the Phosphate Company, was at once entitled to draw against the proceeds which were placed to his credit before the memo. of the 15th was sent to the defendants; the bank did not treat that as a letter to which they required or expected an answer before giving credit; they sent the letter of December 4 in consequence of Bonnell having come in and asked them to find out if the note was all right. If they had received, on August 17, such a letter as the defendant wrote them on December 10 they would have refused to do "any further business with the account."

He said that Wallace had left the country "about the time the note matured," but whether before or after he did not know. The action was not brought until November 23, 1901.

The learned trial judge found that the note was a forgery by Wallace, but that the defendants were estopped by their conduct from setting this up, and he gave judgment against them for the full amount of the note.

The Court of Appeal affirmed said judgment, and the defendants appealed to this court.

JUDGMENT: (GIROUARD, DAVIES and KILLAM, *JJ.* SEDGWICK and NESBITT dissenting).

Judgment of Mr. Justice Davies is as follows: On these facts two questions arise; first, was there any imperative duty on the part of the appellants, Ewing & Co., on the morning of August 16 when they received the above letter or notice from the bank, to at once notify the bank that the note was not genuine? and, if not, did such imperative duty arise at any time afterwards, and, if so, when? The appellants strongly contend that at no time did such imperative duty arise; but that, if they were wrong and it did arise, it did not do so until after August 20 or 21 when they had a personal interview with Wallace, who then practically confessed the forgery to them. I am quite at a loss to follow the reasoning, which, assuming the duty to

exist at all, would postpone it till the 20th or afterwards. It seems to me that if there is a duty at all, that duty arose immediately on receipt of the notice from the bank of August 15. If, under the circumstances, there was any room for reasonable doubt as to the genuineness of the signature, or any reason to believe that a mistake had been made in the notice, which enquiries would clear up, the appellants would have been entitled to the necessary time to make proper enquiries. But it does not apppear to me that any such doubts or room for doubts existed.

Both William Ewing and James H. Davidson, the only members of the firm of Ewing & Co., were examined at the trial, and they both state that they neither of them ever authorized any other person to sign the firm's name to any note; that they never used or gave any accommodation paper in their business or signed any blank notes and that the note in question was a forgery. They knew they had never given or authorized the giving of such a note as the bank had advised them of, and the only reason given for not immediately notifying the bank was that given by Mr. Ewing, that he thought it might be a draft made on them and not a note. I cannot, myself, accept this as the true explanation. The notice says nothing about a draft and does not use any language from which a business man could fairly believe a draft was intended. If it was a mere draft that was intended and not an acceptance of a draft, a notice would not have been sent by the bank, but the draft itself would have been forwarded for acceptance. The appellants knew it could not be an acceptance any more than a note, for they had never signed nor authorized the signing of either, and the fact that in the telegram sent by them that day to Wallace, the managing clerk of the Phosphate Company, and also in the letter confirming that telegram, they made no reference to any draft or to the possibility of there having been any such mistake made, but speak of the document held by the bank as a note, and repudiate the fact that the Phosphate Company held any note of theirs, satisfies me that they were not under any doubts or delusions on the subject at all. However, be that as it may, they got a telegraphic answer from Wallace that evening at 6.14 p. m., which could leave no possible doubt in their minds that the document was a note and not a draft, and that it was in the hands of the bank, and was, as they knew, a forgery.

Assuming, for the sake of argument, that Ewing & Co. were justified in waiting till they had received Wallace's answer, they knew on its receipt that the bank, respondent, was in possession of a note of theirs which they must have known was forged for $2,000, and which they had been formally "requested to provide for" at maturity. A whole day had been lost in making a useless enquiry.

But even assuming that the duty to notify the bank of the forgery did not arise until the receipt of Wallace's telegram, what was to have prevented this notice being then sent either by telephone or telegraph. The counsel for the appellants contended that assuming the duty existed or arose on the receipt of the telegram from Wallace, it would have been discharged by the writing of a letter in the ordinary course of mail on the following day, the 17th, which could not, if written and posted in business hours, reach its destination until the 18th, when it would be useless, as all the proceeds arising from the discount of the forged note had then been paid out by the bank. But I cannot accept any such proposition as that put forward by the appellants' counsel. Given the existence of an imperative

duty; given the fact that it did not arise till after the receipt of Wallace's telegram, after business hours on the evening of the 16th; I ask on what principle can it be discharged or fulfilled by mail alone. Is there any magic in the "mail" which makes it alone the proper vehicle for transmitting business information? Is there any reason why, the ordinary mail or post having been missed, resort should not be had to the telephone? Between the cities of Montreal and Toronto there existed telephonic and telegraphic communications as well as mail. Is it to be held by the courts that in the present day, when such a proportion of business is carried on by means of the telephone and telegraph, that, in a matter of urgency and moment involving some thousands of dollars, and where a few hours' delay might be fatal, resort must not be had to one or other of the speedier methods of communication, but must be confined to the mail alone? Is it reasonable that business customs and habits in a matter of this kind must be ignored? I do not think so, and am satisfied that if the imperative duty existed at all, it should have been discharged on receipt of the bank notice, and if delay was sought to get information from the suspected forger, then, at the expiration of that delay, notice should have been given to the bank, either by telephone or telegraph, which would have reached them on the morning of the 17th, and while the larger part of the proceeds of the note were still lying in the bank and subject to its control.

Mr. H. S. Osler, in his argument for the appellant, laid much stress upon the form and character of the notice sent by the bank to Ewing & Co., and urged that too much importance had been attributed to it by the Court of Appeal. I pass by all technical criticism as to its form, and looking at its substance I find it furnishes Ewing & Co. with all possible information they could require as to date, amount, due date, payee, maker, etc., of the note, winding up with a request that they should provide for the same.

Nothing is wanting to inform them that a note professing to be theirs was in the hands of the bank, and was being treated by them in the ordinary business way, as a genuine note, and that the bank looked to them for payment. They knew it was a forgery. As between them and the bank their knowledge was exclusive. Instead of imparting it to the bank on receipt of its letter or notice they enter into prolonged telegraphic, written and personal communications with the forger, lasting up to within a few days of the note falling due, when, in reply to the usual notice requesting payment, they, for the first time, repudiate the note. From their silence after the first notice sent them, the bank naturally assumed the genuineness of the note, and, acting upon that very natural assumption, paid out the larger portion of the proceeds of the discount of the note, all of which would have been saved to them, had Ewing & Co., on the 16th or on the beginning of the business hours of the 17th, given them the information they should have given.

Again it is said that this is a suit to prevent a man from speaking the truth and to compel him to pay a note he never made nor authorized. But the answer is simple. The very basis of the doctrine of estoppel is that a man may, by his representations or by his silence or his conduct towards his fellow men, if followed by the latter's consequent loss, prevent himself from setting up that to be true which he has induced another to believe was false, or vice versa. There would be no wrong in compelling a man to pay a note he had never signed or authorized, if he, by his representations, or

silence, or conduct, had led another to part with his money in the belief that the note was genuine.

Then comes the important question whether there was any duty in the matter at all on the part of Ewing & Co., to give information to the bank of the forgery, when they received the notice of August 15. It is argued that, as there was no business relationship existing between the bank and Ewing & Co., at the time, such as that between the bank and one of its ordinary depositors or customers, so there was no duty to respond to the bank's notice. It is true that such a relationship did exist between the parties in the case of the Leather Manufacturers' Bank vs. Morgan. In that case it was laid down by the Supreme Court of the United States that where checks had been drawn by the plaintiff, a customer in the bank, and after having been fraudulently altered had been paid by the bank and charged up against the plaintiff, if the alterations might have been discovered by the latter by the examination of his pass-book and advised of in time to enable the bank to take certain action which might have prevented it sustaining loss and this had not been done, he would be estopped from claiming for the sums paid out on the altered checks. The basis on which the doctrine of estoppel rests is discussed in this case at great length and the rule laid down by Parke, B., in Freeman vs. Cooke, approved of; namely, that "if whatever a man's real intention may be, he so conducts himself that a reasonable man would take the representation to be true, and believe that it was meant that he should act upon it, and did act upon it as true, the party making the representation would be equally precluded from contesting its truth; and conduct, by negligence or omission, when there is a duty cast upon a person, by usage of trade or otherwise, to disclose the truth, may often have the same effect."

Both parties profess to rely upon this rule in this case, though I cannot find that any one of the limitations mentioned in it expresses or suggests the existence of the relationship of banker and customer or similar relationship as necessary to create the duty the neglect of which imposes the liability. It speaks of a neglect of duty cast upon a person by the usage of trade or otherwise to disclose the truth. I fail to appreciate the argument which would confine this duty to cases where such relationships already exist, as those between banker and customer or seller and buyer. It does seem to me that in a country like Canada where such a large proportion of its business is carried on by credit evidenced by drafts and notes which are discounted by one or other of the chartered banks of the country, the usages of trade which create the duty apply to all persons engaged in trade who are notified of the holding by one of these banks of a note or draft professing to be theirs. I cannot believe that such a duty would exist as between the bank and Ewing & Co., if the latter was a regular customer of the former and would not exist otherwise. It seems to me the duty naturally arises out of the usages of trade as they exist. Banks do not confine their discounts to those of their own customers only. It is known to every one engaged in trade that a large part of the bank's business consists in the discounting for its customers of commercial paper professing to be that of other merchants or traders. And, when a business man received such a notice from a bank as Ewing & Co. did in this case, if such notice contains information of a forgery and fraud being practiced upon a bank, in the unauthorized use of the name of the person or persons notified, the latter

are bound by every principle of justice and right dealing between man and man, and in accordance with the usages of trade, within reasonable time to give the bank notice of the fraud. Any other rule would seem to me to be fraught with grave danger; would generate want of confidence in the ordinary business relations of life and would offer a premium upon gross business negligence.

I think Lord Campbell has expressed the true rule to be followed in Cairncross vs. Lorimer, at p. 830, in the following terms:

"I am of opinion that, generally speaking, if a party having an interest to prevent an act being done, has full notice of its having been done, and acquiesces in it, so as to induce a reasonable belief that he consents to it, and the position of others is altered by their giving credit to his sincerity, he has no more right to challenge the act, to their prejudice, than he would have had if it had been done by his previous license."

Reason and common sense would convince me, if positive authority was wanting, that as between commercial men and banks or other kindred institutions, there exist duties with respect to business notices, and conditions which have no application to, and are not governed necessarily by, the principles and rules which control in the cases of other letters and notices on private or personal subjects. An example of such letters is to be found in the case of Wiedemann vs. Walpole.

But the law which justifies and approves of a man ignoring impertinent or threatening letters relating to his private life or moral character, to which he is under no moral or legal obligation to give any answer, necessarily adopts a different rule with respect to ordinary business letters on business matters. Mere silence per se on the part of one who should speak is not, I grant, sufficient as an admission or an adoption of liability or as an estoppel to prevent him denying his signature. But such silence, coupled with material loss or prejudice to the person who should have been informed and which prompt and reasonable information would have prevented, will so operate. Such a person, under such conditions, comes within the rule that where a man has kept silent when he ought to have spoken he will not be permitted to speak when he ought to keep silent.

The case of McKenzie vs. British Linen Co. is one where no previous direct business relationship existed between the parties, and has been appealed to by both parties as authority for their respective contentions. The actual decision in that case was that McKenzie, who had been sued as an indorser of a note on which his name had been forged, was not liable, though he had remained silent for a fortnight after he had received notice of his name being on the note. But the reason of the House of Lords for so holding was that the position of the bank was in no way prejudiced or altered during the time McKenzie had remained silent. I think it is quite clear that in the judgment of all of the law lords who delivered opinions in that case, that had the position of the bank been materially prejudiced or injured during the time of McKenzie's silence, he would have been held estopped from denying his signature and liable to the bank. The language of Lord Watson at page 109 seems very clear. He says:

"It would be a most unreasonable thing to permit a man who knew the bank was relying upon his forged signature to a bill, to lie by and not to divulge the fact until he saw that the position of the bank was altered for the worse. But it appears to me that it would be equally contrary to justice

to hold him responsible for the bill because he did not tell the bank of the forgery at once, if he did actually give the information, and, if, when he did so, the bank was in no worse position than it was at the time when it was first within his power to give the information."

The reason adopted by all of these law lords in coming to the conclusion they did in that case convinces me, first, that in all cases the imperative duty of promptly giving notice and repudiating a liability wrongly attempted to be placed upon a man does arise whenever he is informed of the facts; secondly, that failure to discharge it will not necessarily involve liability unless there is also proved the material prejudice which compliance with the duty might have prevented; and thirdly, that where both conditions co-exist, the silence of the person whose duty it is to speak, and the material loss or prejudice of the bank or person who should have been notified which might or would have been averted had the notice been promptly given, then the party neglecting his duty is estopped from denying his signature, and his liability follows. The extent of that liability has been determined by the Judicial Committee in Ogilvie vs. West Australian Mortgage and Agency Corporation as not limited to the actual amount of the loss sustained by the holder of the note, but to entitle him to have his plea of estoppel sustained to its full extent. By limiting the amount recoverable, to the actual loss sustained through the neglect of the party to give the bank notice of the forgery. This case is also most important as determining that the material loss or injury which the bank or holder of the note sued on must show he has sustained need not necessarily be shown to be the direct and necessary consequence of the defendant's act of silence. The Judicial Committee there determines, p. 270, that, "If by keeping silence and allowing the forger to escape from the colony and the jurisdiction of its courts, the appellant had violated his duty to the bank, these circumstances would, in themselves, have been sufficient to show prejudice entitling the bank to have their plea of estoppel sustained to its full extent."

The silence of the person whose duty it was to speak and the loss which might arise to the bank by reason of the forger's escape, had no necessary relation or connection. The escape of the one party was not a necessary consequence of the silence of the other, and yet the Judicial Committee maintained the liability arising from estoppel. Here it is argued that there is no necessary relation or connection between the silence of Ewing & Co. and the paying out of the $1,300 or $1,400 on the 17th. And yet, if they had broken their silence and discharged their duty, the bank would not have lost the money.

I can see no distinction between losing the money in the one case and losing the opportunity of taking proceedings against the forger, either civilly or criminally or both, in the other. The loss in either case could hardly be said to be the direct and necessary result of the neglect of duty of the defendants. The most that can be said is that if the duty had been discharged the loss would or might have been prevented or averted.

I think the appeal must be dismissed with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be promptly sent by mail.

Editor Bankers' Magazine: Asheville, N. C., November 16, 1904.

Sir: If a depositor in a Savings bank should give the required notice for withdrawals and should not at the expiration of the notice withdraw, can he at a later day demand his money under old notice? If he can do so, is he entitled to interest for full time? W. B. WILLIAMSON, Cashier.

Answer.—This must depend upon the by-laws of the bank. If the by-law providing for notice of withdrawal is silent upon the subject, and there is nothing in any other by-law to indicate a contrary intent, then we think that to avail himself of the notice, he is not bound to withdraw the money immediately upon the expiration of the period, but may do so within a reasonable time afterwards. But if he does not demand the money within such reasonable time, then we think that this would be regarded as a waiver of the previous notice, and that a new notice would be necessary. As to interest, we do not think he would be entitled to any after the time specified in his notice as the time of withdrawal, unless the circumstances were such that the notice might be treated as waived.

Editor Bankers' Magazine: Lansing, Mich., November 18. 1904.

Sir: I have for years found your department "Replies to Law and Banking Questions" very practical and helpful, and would like to submit the following:

Often a depositor desires his deposit held on such conditions that upon his death the funds will become at once his wife's and could be drawn by her without delay or probate court proceedings. In such case we enter on his pass-book or certificate of deposit, also on ledger, names of depositors (name of both husband and wife) adding "joint owners; payable to the order of either, before or after death of the other." The funds are the husband's own property, his savings often, and no assignment of them has been made to the wife, except such as might be made by terms of deposit as above. In case of his death would bank be safe in paying amount of deposit to wife upon her order, or would bank be liable for half or all of the amount to the husband's estate? If paid to the wife would she be liable to the estate for any or all of the amount? If the words "joint owners," etc., as above do not cover the case as desired, is there phraseology that would? CASHIER.

Answer.—We think that the form set forth in the inquiry would be sufficient to accomplish the purpose desired, and that the bank could safely pay all of the deposit to the wife after the death of the husband. In McElroy vs. National Savings Bank (8 App. Div. [N. Y.] 192) a husband deposited money to an account that stood in the name of "Alida P. Bell or James C. Bell, her husband, or the survivor of them." The court held that the deposit by the husband to the credit of his wife and himself, with the proviso that either of them, or the survivor of them, was to draw it, imputed a gift to the wife in case she survived him, and that delivery of the pass-book to her by the husband was not necessary to perfect such gift, and that upon the death of the husband, the balance then in the account became the property of the wife, and payable to her. (See, also, Mat-

ter of Meehan, 59 App. Div. [N. Y.] 156; Darrelly vs. Emigrant Industrial Savings Bank, 92 App. Div. [N. Y.] 529. Nor would the wife be liable to the estate of the husband for any part of the amount, but the gift to her could not defeat the rights of his creditors, and if the residue of his estate should not be sufficient to pay his debts, the creditors could reach this money in the hands of the wife.

Editor Bankers' Magazine: Burns, Ore., November 21, 1904.

Sir: A National bank has two safes—safe No. 1 to carry its reserve, $25,000, which is locked by timers each morning at eight o'clock after funds thought by Cashier sufficient for day's business have been taken out, and safe No. 2 has $10,000 for daily business and is left open during banking hours. A customer comes in after 9 o'clock with a check for $15,000 to cash, and bank can get only at the $10,000 in safe No. 2. What action would be necessary? What trouble could customer make bank if he was waiting for such an opportunity? CUSTOMER.

Answer.—A bank is bound to pay the checks of its customers as they are presented, and it would be no excuse for its refusal to pay that its funds are locked up. Under the circumstances stated in the inquiry, the proper course would be for the bank to borrow a sufficient amount for the day. This has been the course generally adopted where through some defect in the mechanism of the time lock, a bank has been unable to open its safe at the usual hour. As to the rights of the depositor, he would undoubtedly have a cause of action against the bank for refusing to pay his checks when presented; but the amount of his damages would depend upon the circumstances of the case. If, for example, he wanted the money merely to lock it up in his own safe, then as the delay could have caused him no injury, he would be entitled to only nominal damages. But it is conceivable that the failure to get his funds at that particular time might be the cause of great injury to him, and in such event, his damages would be substantial.

INSURING BANK DEPOSITS.—A plan for insuring bank deposits by imposing a small tax on them was presented in the November issue of the MAGAZINE by James C. Hallock. His suggestions have already attracted the favorable attention of a number of our readers.

Some bankers have shown a disposition to scoff at such proposals, but this does not, of itself, conclusively prove that the idea is without merit. There was a man who once said he would eat a railway locomotive if it successfully made a trial trip.

In the majority of cases a depositor in a bank requires no other security than the character of its management, its capital and the laws made and enforced for the protection of depositors. But the exceptional instances where all these safeguards fail cause great distress not only to the depositors themselves but to business interests generally and even to solvent banks. Whatever tends to increase the foundation for public confidence in banks is at least worthy of respectful consideration.

THE BANKERS' MAGAZINE would be pleased to have its readers express their views on the proposal to guarantee the safety of deposits in banks, either by the accumulation of a fund derived from taxation, as proposed by Mr. Hallock, or otherwise.

CANCELLED BANK CHECKS.

We are quite familiar with having presented to us through speech and press the real or imagined weaknesses of our banking systems, of our finances, of our trusts and other matters prominent in or connected with our financial world. Many of the arguments are well made, plainly presented and received by many as true; but little decided action is taken to strengthen the weak parts. In many instances the subjects require much in the way of education and elucidation, with considerable pruning and threshing, before enough interest is aroused to have action taken that will make the weak places strong. So the foundation work of speech and press in "precept upon precept; line upon line; here a little, and there a little," must go on until the time when all, or the majority, are ready for the erection of the superstructure.

Two addresses calling attention to weaknesses have recently been delivered to bankers. At the American Bankers' Convention in New York, Hon. Ellis H. Roberts told of the "Strength and Weakness of American Finance;" and at the convention of the American Institute of Bank Clerks in St. Louis G. H. Richards read a paper on "Mutilated Currency," in which he showed one feature of our currency system that might be improved.

Time might be spent profitably in setting forth some of these defects again and suggesting remedies. But it is not the purpose of this article to deal with currency matters. It is with a view of calling attention to a weakness in daily bank work that this is presented. The weakness is in the last thing a bank has to do with the checks it has paid; that is returning them to the depositor with the settlement of the account. The weakness will be shown and the remedy given.

In many banks it is the custom after the pass-book is settled to give it, with the checks, to whoever may call for it. Usually a house has a regular man to attend to the banking and by his daily visits he becomes known to the men at the different windows, so that no risk is felt in giving him the bank book with the checks. In nine hundred and ninety-nine times out of a thousand there may not be any risk; but if there be a risk in the other one case, it proves there is a weakness that needs a remedy.

Very often one who is not known, or at least not often seen at the bank, is sent for the book and because he asks for it he gets it; possibly with a questioning look, but he gets it nevertheless. As most men are honest in business, we seldom hear of anything turning out wrong by the delivery of the checks in this manner.

Some may contend that there is neither risk nor weakness in this, for the checks are cancelled and so cannot be used again. This is true; and they cannot be cashed again, unless the cancellation can be filled up or covered over in some way and the indorsements erased. But the danger is not in their being used so much as in their being misused. It is in the fact that when the checks have been delivered the bank has nothing to show that they have been so delivered, and as the checks are the only tangible

evidence a bank has to show for its authority to debit the separate accounts, it ought to have some receipt for their delivery.

It may be contended that the entry of the amounts of the checks in the pass-book, or on the slip, is sufficient evidence; and it is usually so considered. But if the pass-book with the checks should get into the wrong hands and be mislaid, lost or wilfully or accidentally destroyed, there would be nothing to show that they had been returned by the bank. The bank might have much trouble in adjusting the matter satisfactorily with the depositor. If a receipt had been taken from the depositor or an authorized person when the book and the checks were delivered, the responsibility of the bank would have been lessened, if not removed altogether. Many bankers do not seem to have seen this danger, and have not provided any remedy for it; but some have seen it, and have prepared and are operating plans whereby the bank is protected in this matter.

There is another danger in the return of the paid and cancelled checks—or vouchers, as some prefer to call them—that has been brought to the attention of bankers through lawsuits. It is in this: that unless the bank limits the time for claims or receives acknowledgment from the depositor that he has examined the returned checks and that they are correct, the bank is liable to be called upon six months, a year, or even more than a year after the time of the settlement, to make good a check on which the depositor claims his signature has been forged, or the amount raised, or the endorsement forged. Unless the bank receives such an acknowledgment from its depositors, or has it understood that claims must be made within a certain number of days, it never knows when liabilities in this way will be brought against them.*

While it is true that the number of forged or raised checks is very small indeed, when we consider the tremendous number of checks passing through the bank; still, even though they be very few, the officers should use every safeguard to protect the surplus, capital, and stockholders against such losses.

Then, too, when we remember how a man's signature varies because of his physical condition, his position when writing it, or the kind of pen he uses, it would not be surprising if the paying teller, or the man who passes on the signatures, in allowing for these conditions when questioning a signature should give it the benefit of a doubt and in so doing pay a check that has been forged. And as the world has not provided infallible men for the banks, and the banks have not provided a system for their protection or release from liability in the matter, they have had to bear the losses of this kind.

A Safe Way to Treat Cancelled Checks.

Quite a number of wide-awake bankers having seen the weakness and the danger of future liability, have inaugurated a system for the protection of their banks. For the benefit of those who have not protected themselves against assaults of this kind, I will show how four large banks have sought to apply the protective measures. They can be adopted by the smaller banks as well as by the large ones.

One of the Philadelphia banks encloses a postal with each lot of re-

*By a recent New York law such claims by depositors must be made within one year after return of the cancelled checks.

turned checks. It is addressed to the bank, and in large type on the back are these words: "Please sign and return." The card reads:

.... have examined .... bank book with cancelled checks, settled to ...., and find the same to be correct.

....
(To be signed by the depositor.)

..............................190....

This has given the bank much satisfaction, and insures it against future liability, but it does not provide for the delivery of checks and book to an authorized person. If this method is adopted the bank must see that the postal is returned properly signed within a certain reasonable time.

The methods of two large New York banks are well worth consideration. The first has a card for record of settlement and delivery of book with vouchers. It has a place at the top of the card for the name of the depositor, when account "should be balanced," and "remarks." Below that the card is divided into five columns. First, starting from the left side of card, for date when book was "left for balancing;" second, for date when "balanced and ready for delivery;" third, date "delivered to signer;" fourth, for number of vouchers; the last and widest is for the signature and is headed: "Received from The .... National Bank pass-book with vouchers as specified." This card is arranged for record of twelve settlements. It is a very complete receipt; but it gives no promise to report to the bank with a certain time whether the settlement and the items are correct or not.

The other New York bank has a system of slips to be signed. When the pass-book is delivered to the depositor or his representative at the window, a receipt is to be signed. It reads, after the date: "Received from National Bank .... in New York pass-book balanced to ...., together with vouchers, as per list." And below is this note: "Depositors are respectfully informed that their pass-books should be left at the bank at least monthly to be balanced; no claim of any sort, based upon any error or mistake, shall be valid unless made within ten days after the cancelled vouchers are delivered to the depositor."

With the settlement is a blank receipt to be filled out, signed and returned to the bank. It is addressed to the bank and reads:

".......... have received from you .... pass book and the cancelled vouchers, showing balance due .... at close of business .... of $................ which .... have examined and found correct."

Yours respectfully,

....

Please sign officially, and in case of any difference notify the bank at once."

They have four forms of these receipts—two for local depositors, one printed for individuals and the other for firms. The other two are for out-

of-town depositors to whom statements, or accounts current, are sent. All have practically the same wording, and are supposed to be properly signed and returned to the bank within ten days. They have another form for banks, but its purpose is the same.

Another plan is that used by one of Chicago's leading banks. This bank uses the "statements of accounts," showing debits and credits. These are delivered to depositors monthly. Quite a number of banks have adopted the method of statements of accounts for depositors. It is much better than settling the book, and is a constant check on the ledgers; for the daily balances on the statements must be, or rather should be, compared with the balances in the ledger.

When an account is opened by dealers that have a representative to attend to the banking, a card is given them to sign authorizing the bank to deliver the statements and vouchers to him. It is addressed to the bank, and reads thus:

> Until further notice you will please deliver statements of our account and vouchers to M.....................................,
> whose signature appears below, and who is authorized to sign the form of receipt appearing on the reverse of this card.
>
> ....
>
> Chicago,................190..
>
> Signature of agent,
>
> ....
>
> (This card to be properly filled out and returned by depositor.)

The form of receipt that appears on the reverse of this card is identical with that on the card that the party is authorized to sign when vouchers are delivered. It will be quoted in connection with the description of that card.

These cards are filed in a drawer or cabinet where they are easily accessible to the teller or clerk who handles the statements. When the depositor calls in person for the statement and vouchers, this card is not used, but the receipt card is used.

The receipt card is about five by eight inches in size and contains space at the top for the title of the account, and just below it is this form of receipt:

> "Received from The National Bank of ...., Chicago, statements of account and all cancelled vouchers for the months indicated opposite my signature. I agree to examine the same carefully and if not correct, to give notice and make all reclamations within ten days."

Beneath this the card is divided into four columns. The first gives month and year; the second is for "number of vouchers;" the third for "date received;" and the last for "signature of depositor or agent." The card is printed with twelve lines—a line for each month, and both sides are the same, so one card suffices for two years' record of receipts.

When the statement is called for the card is passed out with the statement and vouchers. If it is the first record on the card, or a new person has been authorized to sign, the card previously described is referred to, to see that the signature is correct. If the party has signed before, the former signature makes it unnecessary to refer to the other card.

This is a very simple and complete method, and secures for the bank exemption from liability after the ten-day period has passed. Surely this is better than not knowing when a claim might be made for a check paid and delivered that was supposed to be all right and through the depositor's neglect was not found to be wrong until several months or a year after it was delivered to him. It provides, too, for the proper delivery of the cancelled checks and vouchers.

CHARLES W. REIHL.

STABILITY OF INTERNATIONAL EXCHANGE.

It is much to be desired that when Professor Jenks, whose mission to the Chinese authorities on the subject of the gold standard was referred to in the October number of the "Bankers' Magazine," has returned home, the record of what he did and what passed with the Chinese authorities may be published by the United States Government.* This mission formed part of the series of efforts which the Government of the United States has made to improve the stability of the international exchange between the silver and gold-using countries of the world. The terrible struggle now going on in the countries adjacent to and belonging to China is enough to account for his being unable to make more progress at the present time. The Latin proverb, *inter arma leges silent*, naturally occurs to the mind. Though, happily, the struggle in the Far East is limited to the two combatants, Russia and Japan, it is impossible for China and the neighboring countries to be able to give the attention to this matter which it urgently requires.

Few official documents of modern years have been more carefully and thoroughly prepared than the report of the Commission on International Exchange, which consists of Mr. Hugh H. Hanna, Mr. Charles A. Conant (of the Morton Trust Company), and Professor Jeremiah W. Jenks.

The first task which the commission set for itself was to secure from the leading powers of Europe "interested in the Chinese indemnity, or in Oriental colonial enterprise, approval of the principle of the introduction of the gold standard into China." The advantages of such a step are obvious, and equally so the difficulties of accomplishing it. A general approval was readily given by the representatives of Great Britain, France, Germany, Holland, Russia, and also of Mexico, but China was more difficult to deal with. This partly arises from the want of stability of the Chinese Imperial Government, the want also of economic experts in the country capable of dealing with so vast a question, and the division of authority with regard to the prerogative of coinage. China at the present time has no general national monetary system. In the ports of Hong Kong and Shanghai and the neighboring country British dollars are in circulation, and Mexican dollars are more or less used. In Shanghai, and especially in Tientsin,

* See "A Gold Currency for China," p. 489, "Bankers' Magazine," October, 1904.

Chifu, Pekin and other northern cities, the old Mexican dollars are generally used, although in connection with them the silver taél, passed by weight, is also found. In the interior there are few silver coins, though recently some of the governors of the various provinces are reported to have established mints of their own, which may be the source of considerable profit to them. Silver taels, or syces, are employed by weight, while, for most purposes, the common people use only copper. So barbarous is the condition of the inhabitants that in some of the more remote districts a system of barter is in force. Under these circumstances it is clear that an entire new system must be created. There is no coin now employed in China which could be used as the basis of a new money system. The suggestions made by the United States Government contemplate the adoption of a monetary system consisting chiefly, if not entirely, of silver and copper coin, to be maintained on a par with gold. The economic condition of the country is such that gold coins would not be suitable, and gold itself would only be used in payments to foreign creditors. The transactions are so small that most of the inhabitants use only copper, and a sum equal to the tenth part of a farthing is all that is required for a great deal of the local business. Coins worth, say, two shillings, would cover all the transactions of a workman's family for, perhaps, a month, except in the seaboard provinces, and, even there, a month's wages will often amount to considerably less than twenty shillings. It is obvious, therefore, that, in a country so circumstanced, the use of gold as the coin of the country would be impossible. Even silver coin would not be frequently required.

These preliminary considerations indicate some of the difficulties to be met with, to say nothing of the disorganization of the government of the country, and yet, in order to enable China to carry on business successfully with other countries, and reciprocally to allow other countries to have the advantage of an extended trade with China, it is obvious that it would be to the interest of all concerned if their monetary systems and that of China could be brought into some degree of harmony. Hence, a comparative uniformity in the coinage ratio to be adopted between the gold unit and the silver coinage to be issued in different countries which are about to modify their monetary system is obviously advisable. The report of the United States commission refers to these matters, and adds, "the United States are about putting in force a new law for the currency system of the Philippines; Mexico is preparing for the reform of her monetary system upon a gold basis; Great Britain is taking steps for a fixed exchange in the Straits Settlements; France is doing the same in Indo-China; and the Chamber of Commerce at Hong Kong is considering a change in the system in operation there."

Since the date when this report was drawn up the standard coin for the Straits Settlements has been fixed as the British dollar—the Hong Kong dollar—equivalent, practically, to the Mexican dollar.

It was not intended that the use of the term "ratio" was to imply that the adoption of a given ratio of weight would in itself fix the relation of value between the coins and the gold unit, as is sought by the policy of free coinage of two metals. The term was simply used to define the relationship between the weight of the silver coins and the gold unit. The ratio proposed was about 32 to 1. This has been adopted in the Philippines. The coins of the United States are issued at the ratio of 16 to 1. Those of the countries of the Latin Union at 15½ to 1; those of Russia

and British India are at the ratio of about 24 to 1. (Report on Stability of International Exchange, p. 26.)

One great danger in such a system is the risk of the private coinage of silver pieces of full weight. Since the time when the present system in India was established there has been a considerable further drop in the value of silver. Nominally there is the value of one shilling and four-pence in the silver contained in the rupee. There have been times when it has been worth only half that amount. Hence anyone who coined rupees of sterling silver might make a very large profit. The risks of fraudulent coinage are many, but when once the privately minted coin of full-value metal has been put into circulation detection may be difficult. In practice, however, in England, where the profit to be made on such coinage is even greater, fraudulent coining does not appear to have often occurred, and the same is the case in other similar countries where the police system is good. But in the case of China the risk would be very considerable, and hence the ratio of 32 to 1, which is, approximately, about the present bullion value of the coins proposed, is suggested.

This is as far as matters could be brought at the present time. The advantage of uniformity in the monetary systems of the world is obvious, but a monetary union has not been suggested. All that has been sought is "simply the adoption of such a relationship between the silver coin and the gold unit that each Government will be interested by the inevitable course of events, without any formal agreement, to check its purchases of bullion at the point where the price of silver threatened disturbance to its monetary system."

We can only here give a very rough outline of the system suggested by the Government of the United States. The importance of the change in the monetary system of the world, which would result if their proposal was adopted, is gigantic. That Mexico, the largest silver-producing country in the world, should find it to her advantage to adopt a gold standard, is a remarkable testimony to the injury which they find the continuation of a silver standard is to their trade and their prosperity. In making this change, the Government of the Republic of Mexico naturally sought the co-operation of the United States. As was stated in the memorandum placed by them before the Government of the United States: "Safe and profitable trade between any two countries is dependent, to a considerable degree, upon relative stability of the value of their currencies. This stability is destroyed in the trade between a gold standard country, like the United States, and a silver country, like Mexico, when the variation in the gold value of silver, as was the case during the year 1902, reached nearly 10 cents an ounce in gold in a single year, or nearly 20 per cent. upon the price of silver bullion." The trade between the United States and Mexico is very large, and so are the investments of the money of citizens of the United States in railways, mines, coffee plantations, smelting works, and many other enterprises in Mexico. These investments are estimated as more than £100,000,000 in sterling value. The importance of the maintenance of the value of these investments is obvious to Mexico, and equally so to the United States. Mexico presents, at the present time, a very large field for future investments. But the Mexican Government did not feel itself capable of carrying out the proposed change alone and by itself. Hence it sought the advice and the assistance of the United States Government,

and, sooner or later, we cannot doubt that this assistance will be given, and the plan proposed carried out.

So far as the direct interests of England are concerned in this matter, they appear to be limited to the populations included in the Straits Settlements. These are some 500,000 or 600,000 in number, carrying on a trade with the United Kingdom, which was, in 1902, the latest date for which information is at hand: Exports from the Straits, £2,700,000; imports, £6,000,000.

But, in reality, the subject has a far wider importance. If the plan as suggested by the Commission on International Exchange is carried out, practically all the civilized nations in the world, and many of those who are less civilized, will be employing a gold standard and a currency kept, in the main, on a level with gold. Hence, any fluctuation in the use and requirements for gold will be naturally increased in proportion to the extension of the area over which the use of gold will extend. Further than this, the effects which some people have anticipated from the large production of gold of recent years would be largely mitigated, if not entirely removed. It is expected that the production of gold during the present year will equal £75,000,000 in value, being the largest production ever yet recorded in one year. It becomes quite clear that the use of gold for currency purposes is already so much extended that the production will probably not do more than keep up with the requirements for its use. Into this matter we need hardly go at the present time. It is sufficient for us to notice the work of the Government of the United States in this matter. It is to be hoped that one of the results will be an improvement in our trade and business relations with British India. There are many important works which might be carried out in our Indian possessions—railways, canals, irrigation works, and many other operations—which would be of the highest service to that country, and which doubts as to the amount of the return to be obtained, owing to the drop in the silver exchange, have hitherto checked. There is also our trade with China. The effect of the success of the American Commission on International Exchange will be of great service not only to the United States, but to ourselves; and we hope that, notwithstanding the fact that Professor Jenks has only been able to make comparatively little way at present, the Commission may be able in time to carry out all that has been proposed.

New York Savings Bank Tax.—A vigorous effort is to be made this winter to repeal the so-called franchise tax on Savings bank surplus in New York State. The taxation of deposits in Savings banks is prohibited by the New York law, but a tax on the surplus of a mutual Savings bank is a tax on deposits and nothing else, for the surplus belongs to the depositors.

The tax on the Savings banks of New York was strongly opposed by The Bankers' Magazine when the matter was before the Legislature. The tax ought never to have been imposed, and every consideration of sound policy and justice demands its immediate repeal.

Every Banker Should Read It. — Geo. S. Beimdiek, of Carthage, Mo., writes: "I have derived a great deal of knowledge from reading your Magazine, and think that anyone connected with a bank should read it."

PRACTICAL CURRENCY REFORM.

The lack of adaptability of our currency to the varying requirements of times and localities has in recent years been the subject of frequent discussion. The existence of the defect and its resulting dangers and the need of corrective Congressional action seem very generally recognized. Opinions as to what form that action should take are, however, not so nearly concurrent. To the varying shades of professional opinion there is added the element of practical politics. The view of the lawmaker is not infrequently obscured by the smoke of political battle. The selection of a remedy adequate to the case, and acceptable alike to the financier, the business man and the legislator, is the problem.

Many comprehensive plans have been proposed for creating an ideal currency system; but the problem is not one of creation, but of growth. Practically considered, it must not be overlooked that this nation already has currency laws to which the people are accustomed. While they will permit these laws to be prudently amended or supplemented, it is not wise to assume that they will soon consent to the utter abrogation of the present system in favor of a comprehensive new system, however excellent. Sweeping reform plans must therefore be dropped for the present, and effort directed toward partial reforms immediately necessary, and probably now attainable.

Several years ago the writer outlined a plan for meeting without stress the periodic demands for currency for crop moving and cattle marketing.* The plan was proposed chiefly to correct conditions in the West and South, but is thought to be also adapted to the whole country and to every-day needs.

Present Currency Lacks Flexibility.

The difficulty with our currency is that it has no flexibility. There is no more of it in active than in dull seasons, no less in dull than in active seasons. In dull seasons much of the currency works into the great money centers, chiefly New York, and brings about extremely low interest rates, sometimes less than one per cent. per annum on call and less than two per cent. on sixty-day notes. It is well known that this condition tends to induce borrowing for speculation. Money is forced out artificially, and the borrowers of this money are frequently unable to repay at the time when the banks must prepare for the legitimate requirements of harvest time. It results that when the western and southern banks—all depositors at the great centers—order currency shipped to them to meet their own needs of this period, the reserves of the city banks are depleted to a degree requiring a sharp calling in of loans to maintain the legal ratio between deposits and cash.

To estimate the full effect of this sudden calling in of loans, it should

*"The Minimum Capital of a National Bank," "North American Review," October, 1898.

be remembered that the amount called must be much greater than the amount of required currency shipments, because loans are largely paid, not with currency, but by withdrawing deposits. Whether the deposits are withdrawn from the particular bank receiving payment of loans or from other banks in the same city does not affect the situation. If the percentage of cash reserves in any city is to be kept up by reducing deposits as currency is shipped, deposits must be reduced much faster than cash.

As currency is shipped, therefore, loans of more than equal amount are called. The mid-summer speculative borrowers of cheap money bid extravagant rates, eighteen per cent., sometimes thirty-six per cent., per annum for sixty-day loans.

If speculation alone suffered because of currency shipments and tight money, there would be little need of currency reform. Legitimate business, however, is also distressed.

Necessary and deserved accommodation may be refused because loanable funds have largely gone West. In three months last fall the New York banks alone sent out $98,000,000. Under such conditions many a capable business man, well deserving of credit, must pay extravagant interest or curtail operations or perhaps fail outright for want of legitimate accommodation.

In a short time, of course, the situation changes. Winter, spring and early summer see the grain and cotton and cattle marketed, and enormous sums of currency deposited again in the money centers. This money is once more idle, and the temptation to use it is irresistible. There is now plenty at low rates for speculation and extravagance, although industry was begging for it at high rates a few months back.

It would almost seem that the harvesting of a record-breaking crop was a National calamity and the marketing of it the beginning of waste and gambling.

The conditions to be remedied at the money centers are the alternate excessive abundance and excessive scarcity of money, the one leading to bad loans and speculations, and the other to embarrassment in legitimate business. These conditions being due to the shipment of currency in and out, currency reform must begin by making shipments less necessary.

Bank Checks Perfectly Elastic, but Limited in Their Use.

To accomplish this, a substitute for the present currency must be found —a substitute that can be produced at the point of need. For some purposes bank check currency answers. The banker is sometimes able, for instance, to enter a credit in favor of a cattle buyer and let him give checks for his purchases. The farmer can perhaps obtain at the bank a personal loan until threshing is done, and have the amount of the loan placed to his credit. He can then buy groceries and meats for the threshing hands with checks and pay the owner of the threshing outfit in the same way. The local grain buyer in his turn can pay for wheat with checks and make the checks good by turning over to the banker bills of lading on the grain. Where checks will answer at all, they are an ideal currency, because they are instantly available when needed and disappear of themselves as soon as their function is performed.

For many purposes, however, bank checks do not answer. Much actual cash is required in trade after producers have sold. The cattle man treats

himself to a new suit before returning from the Missouri River market. The cotton planter has store accounts to settle. The wheat grower wants materials for repair or construction of farm buildings. Their wives all want a few things for the family or for the house. All these little purchases and settlements require cash. It would be inconvenient to stop and write checks for them. A few bills in the pocket, a little change in the store, and each payment is made in a moment.

Then again, checks cannot be used in paying the wages of harvest hands. These men are frequently strangers, laborers sent out by the State Employment Agent in Kansas City, college boys from New England, and tramps swarming into the wheat fields on captured freight trains. For travellers such as these a currency of fixed denominations and universal credit is essential. Moving on, as they do, with the harvest, they may never get to the banking towns of their employers. If they did get there, checks would do them no good, because they could not furnish the identification required to obtain goods or money on their checks. The checks would not answer at any other town at all, because the makers of the checks would not be known, and the checks would, therefore, be worthless for immediate use.

Checks do not answer for currency in moving crops, because they are not a ready-made, divisible currency, and because from the nature of such instruments their credit reaches but a short distance from the point of issue. In a thousand ways cash is required for payments, in amounts moderate or small, but in the aggregate large enough to disarrange the financial machinery of the country.

Present Bank Notes Too Expensive.

The credit of the present National bank notes is of course perfect everywhere, but, being secured by collateral deposit of high priced bonds, they are so expensive to issue that their volume does not respond to the seasonal demand for currency. The banks can issue no currency against the premiums they have to pay on bonds purchased. They lose the use of so much of their funds, and with money worth the rates of interest that prevail at harvest time, there is an actual loss in the present issues of bond-secured notes. The fact that bonds have to be purchased at all tends to prevent immediate response to local needs for currency. The purchase of securities is always a matter for deliberation. It requires the forecasting of the probable future course of the market, and this and the delay that must ensue between purchasers of bonds and the issue of notes on them are perhaps greater hindrances than are generally appreciated to the issue of bank notes as they are needed in current business transactions.

The present Secretary of the Treasury has tried to impart into the National bank note currency the desirable quality of elasticity. In 1902 he allowed the withdrawal of the United States bonds securing Government deposits and the substitution of other high-grade bonds on condition that the bonds withdrawn be used as the basis for increased circulation. Last year he was able to induce some banks to increase their circulation by offering them deposits of public money if they would do so. Something was accomplished, but as Secretary Shaw points out in his last report, the volume of National bank note circulation is still dependent upon the market price of bonds. In fact, the increase of bank circulation has continued

this year throughout the season of shrinking trade and growing cash reserves. Lower prices for Government two per cent. bonds followed the release of such bonds when Government deposits were called to meet the Panama payment, and lower prices resulted in increased circulation. There was even an increase of $3,200,000 in June, when, so far as the needs of the country went, currency might better have been retired. The effort of the Secretary has added new proof of the fact that a bond secured currency inherently lacks local and seasonal adaptability in volume.

The problem is quite as much to prevent an excess of currency as a scarcity. Its solution requires the issue of notes by local banks for special and seasonal local needs, with ultimate redemption made absolutely sure by appropriate provisions of law, yet contrived, like checks, to disappear when their office is fulfilled, and not to lie about after being spent, as the inflexible National currency does, crying to be spent again, and so promoting extravagance, speculation and sometimes panic. Let us examine this proposal.

A Safe, Inexpensive Form of Currency.

It must be obvious that notes meeting the requirements here suggested would be equally useful for moving crops and cattle, and for overcoming currency panics. What notes would appear when needed? Obviously notes that did not cost much to issue. Good notes not costly to issue could be paid to check holders or borrowers without the inconvenience and expense involved in importing currency for the purpose. Notes can be issued without specific collateral, not only inexpensively, but safely. The principle of insurance can be brought into play. A general reserve fund can be established by law, out of which the notes of failed banks can be paid. The amounts so used will be refunded from the assets of the banks whose notes are taken up, any deficiency being made up by assessment on all the banks. A convenient method of keeping up the fund is by taxation of notes issued.

It is a simple matter to compute a rate of taxation sufficient for redemption purposes. In this country a rate of .008 of one per cent. per annum from the establishment of the National bank system would have been enough to cover all losses which would have fallen upon note holders had there been no collateral for the notes. This rate can be multiplied by a considerable factor of safety and still be less than the banks pay now on their bond secured notes. With a guaranty fund, therefore, it would seem safe and at times desirable to allow National banks to issue currency on all their assets without pledging part of them as they do now. No reason appears for limiting a bank's circulation to any amount less than its capital, if provision were made for the prompt retirement of notes as they were no longer needed in circulation. It is yet impossible, however, to obtain authority for such large issues without collateral. This is a question for compromise. The idea of a currency of bank notes to be paid promptly like other notes is still unfamiliar to Congress and the country. Such currency is too different from greenbacks and the present National bank notes to be adopted in full volume all at once. It will be necessary to allow a limit to be placed on the amount of notes unsecured by bonds, a limit, say, of twenty-five per cent. of the capital of the issuing bank. This modest application of the principle of securing bank notes with all the resources of the issuing banks, instead of with part of the same resources

pledged as collateral, a principle adopted by almost every other country, should not seem unsafe. Notes to the amount of only twenty-five per cent. of the capital of the banks issuing them, backed by a guaranty fund which is a first lien on all the resources of all these banks, must carry to the most sincere believers in Government fiat money the conviction of security.

The Fall Activity in Trade.

Even with the twenty-five per cent. limit, these issues would be an important aid at harvest and cattle moving times. From September to the end of December last year over 5,200,000 bales of cotton were sent from the interior to ports. In the same time our four chief cattle markets received 3,260,000 cattle, and three of them received 3,570,000 sheep and 3,660,000 hogs, while at the close of this period the eight primary grain markets had received since harvest 157,000,000 bushels of wheat. In this season the South, under the plan suggested in this paper, could have issued $22,000,000 of notes, to be retired when the active movement of its products was over. The Middle West could have issued $50,000,000 such notes, and the West, $21,000,000. The agricultural regions could every year move the crops and supply currency for the period of active trading with the credit of their own banks. Just as for some purposes, the farmer and cattle dealer and grain shipper, when they borrow, receive not money, but credit in the form of bank deposits, so under this plan, when they borrowed even to pay harvest hands or others who could not use their checks, they would receive credit in the form of the bank's own notes. The importation of currency would be reduced to small amounts. Difficulty and delay and expense in providing necessary funds for crop moving would be reduced, and the prosperity of both business and agriculture would necessarily increase.

Methods of Retiring Notes.

Just as beneficial as the issue of these bank notes would be their retirement. They could and would be withdrawn and paid as soon as the need of them was over, instead of being deposited in the money centers, as now, to disarrange business conditions. Not having received surplus currency, the money centers would not have to send it back again. Loan rates would no longer be subject to great fluctuations on account of great currency movements, and business would be done under normal conditions in this respect the year round.

There are two ways of procuring the retirement of the notes after their function is performed. Probably the better way is to assume that the office of a bank note is fulfilled by the time it finds its way into any National bank to provide that the bank shall not pay the note out again unless the note is one of its own issue. This assumption, of course, is in some instances incorrect, but it can do no harm, because if the usefulness of any particular note is not ended when it is paid into a National bank, the bank can immediately replace it with one of its own notes. It would be to its interest to do so. Numerous centers of redemption would of course be provided, and any bank would naturally send the notes of its competitors to its city correspondent on their way to one of these centers. The city bank would credit the amount of the notes to the account of the bank sending them, which would thus have made its funds

available in the city while clearing the home field for the circulation of its own notes, which it would lend for interest.

The objection is sometimes heard to this practically compulsory redemption that it would involve too much expense. Calculation, however, shows a handsome net profit instead of a loss. The Comptroller of the Currency estimates the incidental expenses of issuing notes—plates, expressage and redemption—at 62½ cents per thousand dollars. If we double the express rate to provide for the time when the new notes issued will themselves be sent in for redemption, and allow something for taxation of the new notes to be issued by the bank which is sending in the notes of its competitor, we shall have a total expense of less than two dollars. The new notes would probably circulate an average of four weeks each, $1,000 of circulation loaned at six per cent. would make an income of $4.67 to offset less than $2 expenses.

Under the system proposed, every bank would have to be ready to pay its notes just as it now pays its demand deposits. This necessity would, in itself, be a strong element of safety.

Of more force than the untenable objection of expense is the suggestion that the proposed forced redemptions would make the handling of the notes a complicated matter. Each bank, large and small, would have to separate the notes of other banks from the notes issued by itself and send the former away for redemption. Even sending them to their own correspondents would be something more than banks have to do now regularly, and it may be well not to add compulsory redemption to the minimum of reform so immediately desirable.

The other way suggested to procure the retirement of bank notes is to assume that their office is fulfilled after they have been out a fixed time and to tax them after that time more than the income the issuing banks can probably derive from keeping them afloat, making the tax higher as long as the notes are unredeemed. This way is not automatic like the other just suggested. The elasticity obtained by taxation is the elasticity of a strap with a buckle instead of the elasticity of a steel spring. As taxation for this purpose would involve no change of present machinery, however, and would of itself excite no opposition, it can be accepted. Care must be taken, however, not to fix the initial rate so high as to discourage the issue of notes when really needed. The first tax might be one per cent. per annum. This would be more than enough to provide a guaranty fund out of which the notes of failed banks would be paid before the assets of the banks were collected. At the same time a tax of one per cent., with the cost of engraving, transportation and afterwards redemption, would not be so expensive as to deter bankers from issuing needed currency. The minimum rate might stand four months. This time would usually cover, for instance, the making ready of harvest machinery, the harvesting itself, threshing and marketing. For the fifth and sixth months taxation might be at three per cent. This would force most notes out of circulation. For banks that needed currency for circulation, however, these notes would still be cheaper than currency borrowed as at present.

There might be a fear that banks in communities where the seasonal demand for currency had passed could ship their notes to distant parts of the country for circulation, so borrowing from the public at large instead of lending their credit to their own customers, inflating the currency instead of providing for business needs. This could be prevented by rais-

ing the tax rate to six per cent. on the notes that had been issued six months. Banks that did not find it to their advantage to redeem their six per cent. notes would no doubt specially investigated by the Comptroller of the Currency.

Progressive taxation, as argued above, would be less effective for elasticity and safety than compulsory redemption would be; but taxation is the method now in favor, and perhaps must be a feature of any present compromise.

The banks of the United States, for want of the best financial machinery, are doing somewhat less than they might do in aid of the production and distribution of commodities. The development of the country is, therefore, somewhat less rapid than it ought to be. The administration of our banks is deserving of all praise, and it is not detraction to say that administration would be more effective if Congress would legalize elastic note issues. It will be long, perhaps, before Congress will adopt the ideals of the scientific economist, but it need not be long before the enactment of some compromise that will provide a large measure of the usefulness of complete financial reform.

THORNTON COOKE.

SAVINGS DEPOSITS OF THE WORLD.

The total deposits in all the Savings banks of the world, according to latest official information received by the Department of Commerce and Labor through its Bureau of Statistics, amounted to over 10½ billion dollars, contributed by 82,640,000 depositors. Of this total the United States shows aggregate deposits of $3,060,179,000, credited to 7,305,000 depositors. As the figures used in arriving at the grand totals cover about one-half of the population of the world, viz, over 770 million, it appears that the United States, with less than nine and one-half per cent. of the total population considered, contributes over twenty-nine per cent. of the total savings deposits recorded. Of the total number of depositors, or rather deposit accounts, the share of the United States is somewhat less than nine per cent., while the average deposit per account is more than four times and the average savings per inhabitant more than three and one-half times the corresponding averages for the rest of the world.

It is interesting to note that in Europe and even in Canada the functions of the government in this field are larger than in this country, where the State restricts itself merely to formulating the general legislation pertaining to the subject, sanctioning special charters for the creation of Savings banks, and controlling through special officers the proper workings of said banks. The European governments in many cases have shown greater interest in this mode of popular saving, either by guaranteeing the safety of deposits or by instituting government institutions, chiefly postal Savings banks, for the receiving and managing of savings deposits. In some countries, such as Russia, Bulgaria, and Roumania, the lack of private initiative and the preponderating influence of the State in the entire economic life of the nation have caused the development of public Savings banks to an almost exclusive extent; in other countries, such as Germany, Switzerland, and France, the local public bodies, such as the communes or cantons, from the very outset

invited and fostered the deposits of small savings by establishing municipal savings institutions. Wherever the central government is in immediate, though not exclusive, charge of the savings service, as in the United Kingdom, Belgium, and Russia, parts of the deposits are invested in government securities, so that the public Savings institutions there serve the double purpose of providing a safe investment for the capital of the less well-to-do and commercially inexperienced class of the population, as well as of strengthening the public credit of the country by attracting investments on the part of such classes, which, left to their own initiative, might not choose this, or for that matter any other mode of investment.

The common feature of all Savings banks, no matter how organized, is that they are not working for profit, the underlying idea being rather to make the deposits as secure as possible. This results naturally in an interest rate on deposits considerably below the normal commercial rate prevailing in the respective countries. The figures as shown in the table below reveal different degrees of what might be termed the "saving capacity" of the different nations, though it should always be borne in mind that the amounts deposited with Savings banks by no means represent the only savings of a nation. Another factor which makes comparisons difficult is the fact that apart from differences in legislation, leaving to these institutions a greater or smaller latitude of freedom of investment, the regulations regarding the maximum amounts which may be credited to one individual vary according to country, and that therefore the average size of the savings deposit casts but little light on the general prosperity of the people and the more or less equitable distribution of wealth among them.

The general social conditions of a country, the spread of general education and banking habits among the masses, existing facilities of communication, the ease and lack of formalities with which savings are made, and last but not least the use made by the population of other modes of saving—all these factors have to be considered when international comparisons of savings statistics are attempted. To give but a few examples: The total savings deposits of France, as stated in the table below, appear less than those of Austria, while the aggregate savings deposits of Prussia are shown to exceed those of France by almost eighty per cent. Any conclusions with regard to the relative prosperity of these countries based on these figures would be erroneous, as in France the Savings banks deposits constitute but a part, and by no means the larger part, of the total savings of the nation. As a matter of fact, the investments of the French people in Russian public bonds during the most recent period only, not to mention the holdings of the enormous national debt at home, according to the most conservative estimates exceed by far the amounts deposited in national Savings institutions. In the case of Austria the figures given are somewhat misleading, since the postal Savings banks there are engaged in the general banking business, the amounts reported as ordinary deposits exceeding those reported under the head of savings deposits.

With all these restrictions and interpretation clauses the figures given below are interesting as showing the wonderful results obtained in this field, through ingenious organization on the one hand and the spread of thrift and saving habits among the large masses.

The following table, based upon the latest available official returns received by the Bureau of Statistics, shows the number of depositors, total amounts of deposits, the average deposit accounts, and the average deposit

per inhabitant in all those countries which publish reports on the state of their Savings institutions.

Number of Depositors, Amount of Deposits, Average Deposit Accounts, and Average Deposit Per Inhabitant in Postal and Other Savings Banks of the World.

[Compiled from official sources.]

COUNTRIES.	*Number of depositors.*	*Total deposits.*	*Average deposit.*	*Amount per inhabitant.*
Australia, Commonwealth of	1,086,018	$164,161,981	$151.15	$43.47
Austria	4,946,307	876,941,933	177.29	33.47
Belgium	2,088,448	141,851,419	67.92	20.37
Canada	213,638	60,771,128	289.14	10.99
Denmark	1,203,120	236,170,057	196.29	96.41
France	11,298,474	847,224,910	75.01	21.75
Germany	15,432,211	2,273,406,226	147.38	39.98
Prussia*	9,377,503	1,485,793,500	158.44	43.10
Holland	1,330,275	72,738,817	54.83	13.60
Hungary	1,717,515	432,810,515	251.91	21.92
India, British	866,693	34,656,371	39.98	.15
Italy	6,740,138	482,263,472	71.55	14.52
Japan	7,467,452	40,887,186	5.48	.90
New Zealand	261,948	38,332,823	146.34	49.61
Norway	718,823	89,633,481	124.69	39.94
Roumania	145,507	7,426,031	51.04	1.26
Russia, including Asiatic part	4,950,607	445,014,951	89.90	3.16
Finland	226,894	21,144,278	93.19	7.60
Sweden	1,892,586	151,480,442	80.54	29.14
Switzerland	1,300,000	193,000,000	148.46	62.26
United Kingdom	11,093,469	966,854,253	87.15	22.82
British colonies not elsewere stated	354,275	32,936,217	92.97	2.78
Total	75,334,398	$7,609,706,491	$101.01	$11.00
United States	7,305,443	3,060,178,611	418.89	37.38
Grand total	82,639,841	$10,669,885,102	......	......

* Not included in the total.

VERMONT SAVINGS BANKS.

The annual report of Frederick S. Platt, Inspector of Finance of the State of Vermont, has just been received. It gives the following facts:

Twenty-two Savings banks and twenty trust companies are now doing business in the State. There has been no change in this respect during the last year.

The amount of deposits held by the Savings banks and trust companies at close of business June 30, 1904, was $46,958,290, which is $2,330,142 more than the same institutions held June 30, 1903.

Of these deposits the Savings banks held $32,709,172 and the trust companies $14,249,118.

During the year the Savings banks gained $1,589,985 in deposits, and the trust companies $740,156.

The number of depositors June 30, 1904, was 139,853, a gain for the year of 5,530.

One hundred and twenty-two thousand six hundred and fifty residents of Vermont on June 30, 1904, had deposits in the Savings institutions of the State amounting to $39,355,446.02. Seventeen thousand two hundred and three non-residents had deposits of $7,576,217.

Twenty-six thousand six hundred and twenty-seven dollars and seventy-nine cents reported as "interest due depositors" is included in the total deposits, but not in the classification between resident and non-resident depositors.

Resident depositors show an increase for the year of 4,570 in number and $1,994,542 in amount of deposits.

Non-resident depositors increased 969 in number and $337,902 in amount of deposits.

The twenty-two Savings banks had on June 30, 1904, a surplus fund reserved amounting to $1,429,679.90. This is $98,898.14 more than the "surplus fund reserved" of these same banks June 30, 1903.

The combined surplus and undivided profits of these Savings banks on June 30, 1904, were $2,056,346. This is $145,028 more than the surplus and undivided profits June 30, 1903.

The surplus and undivided profits of the twenty trust companies on June 30, 1904, were $730,471, an increase of $92,351 during the year.

The surplus and undivided profits of the Savings banks and trust companies combined amounted June 30, 1904, to $2,786,818, which is $237,379 more than the surplus and profits June 30, 1903.

During the year ending June 30, 1904, the Savings banks of the State paid into the State treasury in taxes $225,226.

The trust companies have also paid into the State treasury in taxes $87,277. The total taxes paid during the year by the Savings banks and trust companies were $312,503, which is $25,413.21 more than the total taxes paid during the year ending June 30, 1903.

The expenses (exclusive of taxes) of the Savings banks for the year have been $126,475, an increase of $14,081 over the year previous.

The expenses of the trust companies were $112,556, which is $10,837.99 more than for the year ending June 30, 1903.

The average expense for each $1,000 in deposits in Savings banks was $3.86, an increase in average expense per $1,000 of $0.25.

The average expense for each $1,000 of deposits in trust companies was $7.90, an increase of $0.37 from previous year.

The Savings banks and trust companies combined have paid or credited to depositors as dividends or interest $1,441,248, which is $117,909 more than for the year ending June 30, 1903.

The depositors of Savings banks received $1,087,350 of these dividends, an increase of $93,540 over previous year.

The trust companies paid in dividends to depositors $353,897, an increase of $24,368.

Savings banks paid interest to depositors at the following rates: One paid at the rate of six per cent. (including extra dividend of two per cent.); one paid at the rate of three and three-fourths per cent.; eighteen paid at the rate of three and one-half per cent.; one paid at the rate of three and one-fourth per cent.; one paid at the rate of three per cent.

Trust companies paid interest to depositors as follows: Six paid at the rate of three and one-half per cent.; thirteen paid at the rate of three per cent.; one trust company has no depositors.

The total dividends paid by trust companies to stockholders were $66,750, which is $12,625 more than the dividends paid stockholders during year ending June 30, 1903.

Three trust companies paid no dividends to stockholders; one paid sixteen per cent.; one paid fourteen per cent.; one paid twelve per cent.; two paid ten per cent.; one paid eight per cent.; one paid seven per cent.; seven paid six per cent.; one paid five and one-half per cent.; one paid five per cent.; one paid four per cent.

INVESTMENT NOTE.—The Buffalo & Susquehanna Railroad Company has declared the regular quarterly dividends of one per cent. on its preferred stock and one and one-quarter per cent. on its common stock. The former was payable December 1, and the latter will be payable January 1.

THE SMALLEST COIN.—The smallest coin in the world having a genuine circulation is probably the Maltese "grain," a tiny fragment of bronze about as big and round as the top of a slate pencil, and worth only one-twelfth of a penny.—*Lahore Tribune.*

A GROWING SOUTHERN BANK.

There are many notable examples of progressive banks in the South, and among these the Merchants and Farmers' Bank and Trust Company, of Shreveport, occupies a prominent place.

It was organized originally in 1889 as the Merchants and Farmers' Bank, and later reorganized in order to take advantage of the Trust Company Act passed by the Louisiana Legislature in 1902.

As a banking institution exclusively it has been highly remunerative

C. S. Bauman, *Cashier Merchants and Farmers' Bank and Trust Co., Shreveport, La.*

to its shareholders, and even greater success is assured under the reorganization, which will not only continue the banking functions as before, but will add new sources of profit from the trust company operations permitted under the new law.

There is no doubt of the wisdom of combining bank and trust company functions in a single institution, particularly outside the larger cities, and where the State laws allow such a union the banks may greatly increase their profits thereby. And instead of the new features adding to the risks of ordinary commercial banking, they rather tend to diminish them, for as a rule the trust departments are by the very nature of their business conservative in character. The opportunity of safely extending the scope of transactions was readily taken advantage of by the Merchants and Farmers' Bank and Trust Company, of Shreveport, and other banks of the State may be expected to take a similar step.

The capital of the Merchants and Farmers' Bank and Trust Company

is $100,000, and the accumulated surplus $77,000, while the deposits amount to $1,250,000. Its officers are: President, A. H. Leonard; Vice-President, Peter J. Trezevant; Cashier, C. S. Bauman; Assistant Cashier, R. L. Mayfield.

President Leonard is identified with a number of important and successful business enterprises, being secretary and treasurer of the Carter-Allen Jewelry Co., Ltd., Shreveport Saddlery Co., Ltd., Shreveport Mill Supply Co., Ltd., Dreyfuss Dry Goods Co., Ltd., vice-president of the Louisiana and Texas Oil and Pipe Line Co.

The directors are: A. H. Leonard, P. J. Trezevant, J. B. Ardis, vice-president Ardis & Co., Ltd.; Louis Leibman, merchant; E. G. Allen, president Carter-Allen Jewelry Co., Ltd.

The Merchants and Farmers' Bank and Trust Company does an annual business of from sixty to seventy-five millions of dollars, and its volume of transactions is showing a steady and gratifying rate of increase.

BETTER PAY FOR BANK CLERKS.—In a sermon delivered at St. Andrew's Episcopal Church, New York city, November 24. Rev. George R. Van De Water said:

"The truth is, it is now time to turn our attention to the rights of others than those ordinarily classed as laborers. There is another class of men whose rights have been ignored. It is time to sound a signal for a great army of salaried employes—for bank clerks who work too hard and get too little; for young and old men in brokers' houses, in trust companies, at the books, who are overworked by the directors, and who are ground down and underpaid by the Presidents, whose only concern is to pay large dividends to the stockholders, regardless of the personal welfare or comfort of the families of those whose work produces the dividends.

The time has come when by combination or some such reasonable means those in authority must be compelled to make reasonable provision for human necessities and give reasonable pay for intelligent service. I plead for the man with the pen, because he is, or ought to be, mightier than the man with the hoe. It cannot be said to-day that in our fair city the opportunities for getting into business and obtaining a fair measure of success are ample for young men of ability and honesty."

BANKERS' MONEY ORDERS GOOD OVER ALL CANADA.—It is interesting for banks and bankers in the United States who have experienced the usual trouble in obtaining exchange payable at par in Canada, especially at points therein remote from the principal cities, that the money orders of the Bankers' Money Order Association of New York are now payable at over 350 branch banks in all parts of the Dominion, at par. There is no medium of exchange other than post office money orders that now has so wide a number of Canadian par points.

A WONDERFUL MACHINE.—At the Standard Scale Works they have now perfected a talking scale, designed for railway stations and hotels. It is on the nickel in the slot principle, but instead of a dial to register the weight it will, by means of a phonograph attachment, call out the weight in a loud voice.

By another attachment the scale will cry, "No good!" when a slug or piece of spurious coin is dropped in the slot.—*Pittsburg Dispatch.*

ARTHUR C. JONES.

Unusual activity in banking matters is being shown in several parts of the South, notably in Mississippi, where many new banks are being organized. This demand for increased banking facilities grows out of the development of the State's productive resources, and is a gratifying indication of the progressiveness of that part of the country.

A. C. JONES.

Among the men who are achieving distinct success in the Southern banking field, the subject of this sketch, Mr. Arthur C. Jones (who is President of three prosperous banks) occupies a prominent place.

He began as runner for the Bank of Mobile, Mobile, Ala., and was promoted from the different desks until 1882, when he was elected Assistant Cashier of the Bank of Mobile. From 1884 to 1885 he was teller of the Meridian National Bank, of Meridian, Miss. From 1885 until January, 1903, he was Assistant Cashier of the First National Bank, of Jackson, Miss., and then resigned to accept the Cashiership of the Mississippi Bank and Trust Co., of Jackson, just organized with a capital of $100,000. In

January, 1904, Mr. Jones was elected President of the Mississippi Bank and Trust Co.

On July 1, 1904, the Bank of Morton, Morton, Miss., was organized with a capital of $25,000, and Mr. Jones was elected President of that institution. On August 1, 1904, the Bank of Edwards, Edwards, Miss., was organized with a capital of $25,000, and he was elected President.

In October, 1904, the Citizens' National Bank, of Vicksburg, Miss., was organized with a capital of $100,000, and he, being one of the promoters, was elected a director.

It will be seen that Mr. Jones has had an extensive experience in banking, and his present prominent place in the financial affairs of the State of Mississippi is grounded on a thorough knowledge of the State's needs and resources and a close identification with the leading business interests.

INSURANCE OF BANK DEPOSITS.—A plan for insuring bank deposits is set forth below by Horace Lloyd, Cashier of the National Bank of Pheonixville, Pa.:

"Argument is unnecessary to prove the desirability of the insurance of bank deposits and the advantages to flow from it. There is nothing more worthy of insurance, next to life and fire insurance. If when a bank fails the depositor was able to get his deposit in a week or ten days what a glorious state of affairs we would have. And it can be done, and easily done.

Taking the history of the National banking system for the forty years that it has been in operation, as our guide for the future, we find that the total loss of depositors amounts to less than one-tenth of one per cent. per annum of the total deposits. Now, if the banks were required to pay to the Comptroller of the Currency an annual tax of that amount an insurance fund could be established and maintained.

When a bank fails it could be made the first duty of the Receiver to balance depositors' pass-books and certify the amount due each to the Comptroller, who should immediately issue his check on the insurance fund for the amount due, and whatever was realized from the bank's assets could be returned to the insurance fund.

And now I will show that the depositors themselves would be indirectly the ones to establish the insurance fund.

Take for example $100,000 of deposits. Most banks (those outside of the redemption cities) are now required to keep a reserve fund of fifteen

per cent. of their deposits, which would be - - -	$15,000
"I propose to reduce this to thirteen per cent. - -	13,000
thus releasing - - - - - - - - - -	2,000

which sum invested at five per cent. would yield per annum $100 and that is just the amount of the insurance tax. Could anything be simpler? In fact, a reserve of even thirteen per cent. would not be necessary, as such a thing as a run on a bank would be unknown. All the reserve a bank would need would be sufficient funds to do business.

If anyone can devise a plan better or simpler I hope he will do so, but I think the day is not far distant when something will be done along this line.

An expression of opinion from those sufficiently interested is invited."

KENTUCKY BANKERS' ASSOCIATION.

Brief mention of the recent convention of the Kentucky Bankers' Association was made in the November issue of THE BANKERS' MAGAZINE. The complete proceedings have now been received, and a more extensive report than it was possible to present last month is given below.

The twelfth annual convention of the Kentucky Bankers' Association met in one of the parlors of the Kentucky Building at the grounds of the Louisiana Purchase Exposition, St. Louis, Mo., October 5, the proceedings being opened with prayer by Rev. James W. Lee, of St. John's Church, St. Louis. A. Y. Ford, of Louisville, made an appropriate address of welcome, and Col. J. D. Powers, President of the United States Trust and Vault Co., Louisville, responded for the association. In the course of his remarks he told, in eloquent language, of the services of American bankers to their country in times of peril, and said that the bankers of the State were entitled to a large share of credit for the showing made by Kentucky at the World's Fair. He closed by referring to the strong affection which Kentuckians have for their native State.

At the conclusion of Col. Powers' remarks, President E. B. Long made his annual report, briefly reviewing the work of the association. He called especial attention to the importance of further considering the matter of "burglary insurance" and "bank money orders." In concluding his report, President Long said:

"It is a matter for congratulation that we are sharing in a season of great and widespread prosperity. Peace is within our borders, and plenty in our storehouses. The volume of trade during the past year has been unprecedented in the history of our nation. Legitimate business has prospered, and bids fair to continue to prosper."

Secretary Isham Bridges then submitted the annual report as follows:

SECRETARY'S REPORT.

"The membership of the association is now 215, the largest in the history of the association. This is very gratifying, on account of having lost, by non-payment of dues for the year 1904, eleven members, and having gained thirty-nine who were not connected with the association last year, making a net gain of twenty-eight.

The correspondence of the secretary's office has been very heavy this year, on account of the session of the Legislature. Copies of all bills affecting the banking interests of Kentucky were procured and mailed to every banking institution in Kentucky, with enclosures for acknowledgment and expressions.

Through the untiring efforts of the committee of banking jurisprudence and information, the Negotiable Instruments Law was adopted at the last meeting of the Legislature.

I regret to report that the mortuary record shows the following deaths since our last meeting:

C. S. Board, First State Bank, Irvington; T. S. Clark, Deposit Bank, Vanceburg; William W. Edwards, First National Bank, Harrodsburg; William S. Fant, Deposit Bank, Flemingsburg; F. W. Gunn, Phoenix National Bank, Lexington; Joseph Gatlief, Bank of Williamsburg, Williamsburg; R. B. Lancaster, Citizens' National Bank, Lebanon; S. N. Leonard, Farmers' Bank, Eddyville; Louis K. Marty, German National Bank, Newport; Samuel C. Molloy, Citizens' Bank, Kuttawa; Thomas McRoberts, Farmers' National Bank, Danville; Fountain Riddle, Boone County Deposit Bank, Burlington; Thomas J. Smith, Citizens' National Bank, Bowling Green; J. H. Stevenson, Ghent Deposit Bank, Ghent; A. C. Tompkins, National Deposit Bank, Owensboro."

The report of E. W. Hays, treasurer of the association, showed total receipts for the year $1,680, and disbursements of $1,482.24, leaving $198.48 on deposit in bank.

H. V. Sanders presented his report as chairman of the executive committee. It related to routine work of the association.

Judge W. O. Harris, of Louisville, made an interesting and instructive address on "Negotiable Instruments." After highly commending the uniform Negotiable Instruments Law, he said:

"This statute is so largely an adoption of previous law, and the act itself is so long, that I have decided not to endeavor to review the whole act, because you are familiar with very many of its provisions in your daily business, but to point out the differences made in the Kentucky law by this act, so that I may be of some practical service to you as bankers in showing you in what respect you will have to change your mode of conducting your business.

And first in regard to promissory notes. The act, as you will perceive, in section 1, and, I think, afterwards in section 184, declares a promissory note to be a negotiable instrument.

One of the first questions I was asked by a banker after this statute went into effect was whether a promissory note was put on the footing of an inland or a foreign bill of exchange. It is not put on either. It is made a negotiable instrument, and all the provisions of the act as to negotiable instruments apply to it, unless specially referred to some other class of paper.

Now about protest. The act requires protest only in the case of foreign bills of exchange. That, of course, leaves out promissory notes, but all negotiable bills are made protestable. It is not necessary to protest them, but they are protestable, and the advantage of protest is that the notary's certificate is evidence of protest and notice, and the notary's fee can always be recovered. So I take it that all bankers will have their dishonored paper protested. You have to give notice of non-payment, and therefore it is best to have your paper protested; although, if not protested and you give notice, you can still collect from the endorser.

Now as to the provision for an attorney's fee. Section 2 of the act declares that a sum payable is a sum certain, within the meaning of the act, although it is to be paid with cost of collection or an attorney's fee, in case payment shall not be made at maturity. Formerly it was held in some States that a promise to pay an attorney's fee or cost of a collection rendered it uncertain and consequently not negotiable. This statute declares that such stipulations shall not destroy the negotiability of the instrument. It does not say, however, that attorney's fee shall be recovered. The Kentucky courts have held that attorneys' fees can not be recovered, because contrary to public policy. So that under this law, while you can not recover the attorney's fee, it does not affect the negotiability.

Now as to days of grace. The act declares an instrument payable at sight to be payable on demand, and abolishes entirely that useless appendix of the law merchant, days of grace. Formerly there was much uncertainty as to days of grace. Grace was given on some instruments and not on others. The general rule was that days of grace were allowed except where the paper was payable on demand. Now they are abolished entirely and you are relieved of that trouble.

Next as to signatures by agents, to which I have already alluded. The Kentucky act, by section 19, declares that the authority to sign the name of any party to a negotiable instrument must be in writing. This differs both from the old law merchant and from the new act as adopted in other States. It seems likely to be very inconvenient in practice.

The fifth point to which I shall call your attention is as to the negotiability of collaterals. Sections 25 and 27 of the act make one who holds a negotiable instrument as collateral security for an antecedent debt a holder for value. This point will illustrate the importance of this general law. The Supreme Court of the United States held that the holder of collateral as security for an antecedent debt was a holder for value. The Court of Appeals of Kentucky and the appellate courts of many other States held to the contrary. There was a division, with probably the weight of authority in America in favor of ruling that such a holder was a holder for value. The statute follows the Supreme Court rule, declaring that a holder of a negotiable instrument for an antecedent debt shall be considered a holder for value. This simplifies the law by placing securities held as collateral upon the footing of negotiable instruments, provided, of course, that they are negotiable in form.

The next provision removes a trouble which, if any of you have ever had it in your experience must have proved a very tough question; and that is the question of irregular endorsers. I have seen notes in bank drawn this way: "I promise to pay to..........Bank so many days after date so much money," signed by John Smith, and then endorsed by a whole lot of John Smith's friends, not parties to the paper, and discounted by the promisee bank. These we call irregular endorsers, because the title to the paper never passed through them, and the courts have had a great deal of trouble with them, and various rules have been adopted and various statutes passed on the subject. For many years the Kentucky rule was that it was an equivocal endorsement; that it might mean a guaranty of the bill, in which event the endorser might be sued

at once; or it might be that those people who wrote their names on the back of the note intended to be bound as assignors of a non-negotiable instrument, and that it was open to proof, and the rule of the banks was to fill up the endorsement with words of guaranty and sue on that, and the man would say that he did not intend to be a guarantor, but an assignor, and could only be sued after the maker had been prosecuted to insolvency. This laid open every irregular endorsement to proof of intention. Then the Legislature came in. The Louisville banks got a statute passed in 1866, in which it was enacted that such an irregular endorsement should mean a guaranty, and the holder should be entitled to fill it up and sue the guarantor jointly with the maker. Then in 1873 somebody got that repealed, and the Legislature then enacted that such an endorser was an assignor, and the result was you had to sue the maker to insolvency before you could recover from the irregular endorser. This bill puts an end to that and says you can sue both the maker and the endorser, and I hope this puts an end to any more ill considered acts on the subject, because I take it that your association will stand guard over this statute and not allow it to be changed, except to take out the clause relating to signature by agents, that is not in the statutes of other States.

There is a change also as to holidays. Paper maturing on Sundays or holidays is payable the next succeeding business day, instead of on the day preceding, as was our former law. I suppose you are doubtless aware of this change already.

The next change is as to notice by mail. This change was probably made necessary by the growth of our large cities. The English law merchant and the law prevailing in America generally requires notice to a person residing in the same town or city to be given personally. The larger the city becomes the more difficult that becomes. It would be difficult in greater New York to give personal notice to a person at the other end of the old city or in Brooklyn, and the provision is now that the notice of non-payment or protest can be given in all cases by mail.

The next change is as to protest. I have already alluded to the fact that under the former law, foreign bills and promissory notes placed on the footing of foreign bills, were required to be protested. Inland bills were not only not required to be protested, but were not allowed to be protested. Therefore you could not recover your protest fees on an inland bill of exchange. Probably you have often been disappointed when your lawyer, settling with you for collecting an inland bill of exchange, would not settle for protest fees. Now, inland bills and all notes are not required to be protested, but all bills and notes can be protested, and you can recover your protest fees.

The next change is as to presentment for acceptance. By making sight drafts payable on demand, the act has dispensed with the most frequent occasion for such presentment. It does, however, require presentment for acceptance in three cases, the last of which is novel in this State and should be noted by bankers; namely,

(1) When the bill is payable after sight.

(2) When the bill stipulates for presentment for acceptance.

(3) When the bill is payable elsewhere than at the residence or place of business of the payee.

Another and most necessary change in the Kentucky law is as to checks. A check is a negotiable instrument of a peculiar character. It is a bill drawn on a bank against a fund in the bank, and which, consequently, the banker is under obligation to accept and pay. A man can not draw on a private individual for less than his whole debt, because the law don't require him to split up his debt. Accordingly, under the common law, if I owed you $100, I would have to pay your check if you drew for $100; but if you drew to checks for $50 each, I would not have to pay them. The common law was that a banker by accepting a deposit undertook to pay it out on checks, no matter how small, but that obligation was to the drawer and not to the drawee of the check. The English courts held that the holder of a check could not sue the bank, and that, if the bank wrongfully refused to honor the check, he could only sue the drawer on his original debt. The Kentucky courts held that a check was an assignment of the fund, and that the holder did have a right of action directly against the bank. They held as a corollary that the check holder took precedence over an attachment levied after the drawing of the check, but before presentment. They held also in another case that it took precedence over the attachment even as to money deposited after the check was drawn, on the ground of its being an assignment of the fund, although there was no fund to assign at the time the check was drawn. So far they were consistent, but in one or two subsequent cases they held that the drawer of the check might revoke it. That was wholly inconsistent with the idea that it was an assignment of the fund. They held one bank liable because it paid after the drawer was dead. The bank contended, "But your honors have held that the check is an assignment of the fund; that it immediately invested the title in the holder; and what difference does it make if the drawer died?" "Never mind," the court said; "we only held it as an assignment when the drawer is still living and has not revoked." That was hard to understand. It was troublesome, and the banks were liable to be misadvised by their lawyers.

This new law goes back to the English rule, that the check is not an assignment of the fund, and thus leaves the check to be revoked at the will of the drawer. The bank is under no liability to the holder of the check, but only to the drawer, if they have improperly refused payment. It relieves our Kentucky courts of a situation produced by illogical and inconsistent rulings.

In looking over this whole act, it must be a source of gratification to us all to observe that there are so few particulars in which this long statute, some

120 or 130 sections, has altered the law of Kentucky. It shows how closely the Kentucky courts have hewn to the line, and how accurately they have in the main followed those customs of merchants which have been found to be the wisest and best and most convenient both in England and in America.

MR. MURRAY: We are under a debt of profound obligation to Judge Harris for this address. We should extend him a vote of thanks, and I know that will meet with the approval of every member here. I only want to ask Judge Harris a question a little clearer. Suppose a draft is drawn at Cincinnati upon a merchant at Covington, just across the river—when drawn on demand or at sight, what would the banker at Covington do if it was not paid?

JUDGE HARRIS: There is no difference as to whether it is drawn on demand or at sight.

A vote of thanks was extended to Judge Harris for his paper.

MR. LEATHERS: If it is not too late, let me ask Judge Harris a question with reference to checks. I do not understand that that point was clearly brought out in your paper. Section 185 says a check is a bill of exchange, drawn on a bank, payable on demand. Section 118 says, where any negotiable instrument has been dishonored, it may be protested for non-acceptance or for non-payment, as the case might be: but protest is not required except in a case of foreign bills of exchange.

Mr. Lindsey, whom Judge Harris quotes, says under that section:

"Although under this section protest is not necessary, except as to foreign bills, it is permissible and advisable as to all instruments, because it affords the easiest and most certain method of proving the facts of dishonor and notice, the certificate of the notary being prima facie evidence of these facts."

I would like to get Judge Harris to give his opinion, because I know a good many banks are bothered on that question of protesting checks. I had one correspondent write that he protested a check sent by a Louisville bank, and the bank said: "You lose your fee." He said he did not protest for another, and they said, "We will hold you liable." If you can give us an opinion on that point, I think it will relieve us.

JUDGE HARRIS: A check is a negotiable instrument, and therefore protestable. But protest is not necessary. It is optional to protest a check. But it is highly convenient to protest the check, because the notary's certificate is evidence of the non-payment and of notice. I take it that it will be the universal custom of bankers to protest checks, whether drawn in or out of the State. If drawn out of the State, protest will be necessary.

MR. GAINES: How will we always know whether a check is drawn out of the State? Suppose I give a check to-day on Lawrenceburg, having a blank Lawrenceburg check in my pocket.

MR. MURRAY: It would bear the endorsement of a St. Louis bank.

JUDGE HARRIS: You will have to tell from the face of the check itself where it was drawn. The act says it shall be prima facie presumed to have been drawn where payable. I omitted to make one statement on that question, and by leave of the president I will make it now. The place of endorsement cuts a great figure, and there is still some trouble left over that. It was held in the case of Hyatt against the Bank of Kentucky, where a note was drawn in New Orleans payable to Hyatt, who lived in Louisville, and was endorsed to the Bank of Kentucky. The bank sued Hyatt on it, and the allegation was that it was a negotiable instrument, because the note was drawn at New Orleans and was negotiable under the laws of Louisiana, and therefore the bank claimed that Hyatt, having endorsed a negotiable instru-

ment, could be sued along with the maker. But Hyatt filed an answer stating that he put his name on that instrument in Kentucky, and it not being payable at a Kentucky bank, he could only be sued as an endorser, and they must go to New Orleans and sue there before they could hold him, and the court upheld Hyatt. So that, when you take a note bearing an endorsement, you must inquire where the endorsement was actually made. If the endorsement is made in a State where the old common law prevails, you will have to sue the maker to insolvency before you can sue the endorser. The present act provides that the endorsement shall be presumed to have been made at the place where it was drawn, but that presumption is only prima facie, and can be rebutted. If, instead of saying the endorsement shall be prima facie, it is said the endorsement shall be conclusive evidence, all the trouble would have been removed.

Mr. Powers: Since you have been subjected to cross-examination, there is a question I would like to have explained, and that is, whether, when a local check is protested, the fees for protest can be collected.

Judge Harris: All checks are protestable, local or otherwise.

Mr. Bramlage: I would like to know something further as to presentment for acceptance.

Judge Harris: Presentment for acceptance is still necessary, in the three cases mentioned in Section 143.

Mr. Bramlage: But we have to use due diligence to present.

Judge Harris: Yes; there is a provision in the act that, where these places are widely separated, you are entitled to time.

Mr. Thompson: You speak of a provision that requires the authority of the agent to be in writing. What attitude does that place the President of the bank in? Suppose a bank in Owensboro sends a bill to a bank in Louisville and asks the bank in Louisville to rediscount it and place the proceeds to the credit of the Owensboro bank; the Owensboro bank endorses the bill, generally by its Cashier, but occasionally by its President—now, will the authority of those persons endorsing have to be in writing?

Judge Harris: It may be that their authority might be questioned in the court, but I should say that the rule that the courts would adopt would be that, where endorsed by such an officer, that was really the bank itself endorsing, and the authority would not need to be in writing; but where endorsed by any other than an officer of the bank, the authority would have to be in writing.

The next address was by Mr. Flournoy, and was entitled, "Southward, Ho!" Mr. Flournoy said, in part:

"There are three great tests of economic development. The production of coal, the making of pig iron, the manufacture of cotton goods. And by these accepted standards we shall judge the South. In 1860 the United States produced about 6,000,000 tons of coal, and in speaking of coal, I mean soft coal. Two decades later the entire United States produced 40,000,000 tons of coal. In 1900, two decades later, the South produced 60,000,000 tons of coal, and last year the single State of Alabama produced more than twice as much coal as the entire country did before the war, and the South more than ten times as much as the entire country in 1860. The South did not begin to grow until after 1880; but in these two decades she produced 50 per cent. more coal than all America did in 1880, and we have hardly scratched the enormous coal area of West Virginia, Kentucky, Alabama and Tennessee. We all know coal mining is yet in swaddling clothes in these States. Kentucky alone has exactly ten times the coal area of Great Britain, and last year Great Britain produced 300,000,000 tons of coal. Great as these figures are, representing development in coal production, they but give hint of what the South will soon develop along this line. In 1860 the United States produced, in round figures, 750,000 tons of pig iron. In 1880 the entire United States produced 3,000,000 tons of pig iron. Last year the production of pig iron in the South was four times

greater than in all the country in 1860, and equaled the nation's output for 1880. Again I remind you that the South began to recover from the war only about twenty years ago.

In 1880 the South produced only 400,000 tons of pig iron. During two decades the production increased sevenfold, and is growing to-day at a rate unprecedented in any of the past years. Take cotton manufactories. In 1880 the South had just begun to engage in this industry. It had $22,000,000 invested in 180 cotton mills. In 1900 it had $175,000,000 invested in 750 cotton mills. The bulk of this increase was from 1890. In 1891 the cotton mills of the North consumed 2,027,362 bales of cotton, and the mills of the South 604,661 bales of cotton. During the ten years' time to 1901 the North increased its cotton consumption exactly 13,412 bales, while the South increased its consumpiton 1,333,310 bales, or one hundred times as much. Since then, the ratio of increase has been even greater. And these figures tell in no uncertain tones that the manufacturing scepter has passd from Massachusetts and Rhode Island, and that the seats of the mighty have moved from North to South.

From 1880 to 1900 the increase of cotton manufactories in the entire country was 120 per cent., but in the South the increase was 413 per cent.

Take the great industry of lumber. In 1880 the South had about 6,600 lumber mills, employing $23,000,000 capital. In 1900 she had 14,000 mills, employing $181,000,000 capital.

But lest one might think that these four lines of industry unfairly represent the situation, let us examine the figures on all lines of manufacturing. From 1880 to 1900 the United States grew at a marvelous pace. Its returns astonished the world when compiled by Mr. Mulhall. But during that period of gigantic growth the United States increased 252 per cent. in manufactories of all kinds, and the South increased 348 per cent., her capital invested in all lines of manufacturing increasing from $257,000,000 in 1880 to $1,153,000,000 in 1900. During that time the ratio of increase of the value of manufactured articles in the United States was 142 per cent; in the South it was 319 per cent.

Nor were those shiftless Southern farmers altogether idle during the same period. In 1880 Southern farm products amounted to $660,000,000. Within twenty years they had increased to $1,300,000,000, an increase of about 100 per cent. During that time farm lands in the United States increased 67 per cent. in value, but in the South the increase was 72 per cent. In the entire country farm implements increased 84 per cent. in value, but in the South the increase was 120 per cent. But the striking fact of this marvelous showing made by these comparisons is that during that time, from 1880 to 1900, population in the South increased only 44 per cent., against a gain of 52 per cent. for the country at large. Eliminating the immense number of worthless, idle negroes, we find that the South far outstrips the balance of the United States in industrial efficiency and growth.

Again, when compared with the great countries of England, France and Germany in the increase of cotton consumed during the past decade, a very reliable index of industrial growth, we find that the South increased its cotton manufactured 413 per cent., while England, France and Germany combined increased only 46 per cent. And again, on comparison, we find the South outstripping the entire world in the expansion of her industries.

No railroad systems in the United States show such a ratio of steady, substantial growth as do the four great Southern systems, the Louisville & Nashville, the Southern, the Atlantic Coast Line and the Illinois Central. Of these three first named, Southern men have been presidents for very many years, and of the one which has made the most splendid showing of all, a Kentucky road, the Louisville & Nashville, the president was a Confederate soldier; and of the Illinois Central the general manager and presiding genius was another Confederate soldier.

The Tobacco Trust is one of the greatest business enterprises in the world, and its founder and president is a Virginian. The Fertilizer Trust and the Cotton Seed Oil Trust were born in the South, matured with Southern money, managed by Southern minds, and to-day employ more than $100,000,000 of capital—more money than the entire South would have brought if put under the hammer and sold in '65.

The founder and president of the greatest lumber company in the world, owning more than 1,000,000 acres of land, and cutting more than 1,000,000 feet of lumber every day, is a Texan, born before the war. The greatest aggregation of financial genius in the world is the American Bankers' Association. But two years ago it made a Southern banker, from the capital of the Confederacy, its president. The largest cotton mills in the South are owned and managed by men born in Charleston, S. C., the very hotbed of secession. We hear much talk of Northern and Western enterprise, but the first railroad ever built in America was built in the South and the first engineer who ever pulled a locomotive throttle in this country was afterwards a Confederate soldier. This very World's Exposition, the greatest the world has ever seen, has as its head a Southerner and a Kentuckian.

The first Bessemer steel ever produced in the world came from a Southern furnace in Kentucky, and the first oil well sunk in America was sunk in our own State. And to-day Kentucky and Texas are racing with Pennsylvania for supremacy in oil production. The first electric trolley car system installed in the United States was in Richmond, Va., and the third system installed was in Paducah, Kentucky. I might weary you with further figures that would only confirm the story.

In this steady, victorious advance of the South, where stands 'Old Kentucky?'

In the critical hour of the battle of New Orleans, General Jackson heard his

right wing had been routed. He sent a hurried order to Gen. Coffee to investigate, but soon the answer came from Coffee: "We are safe, General Jackson; there stands Old Kentucky." Kentucky's past is secure. In arms, eloquence and statesmanship she stands supreme. Name me soldierly fame, and I will answer you, John Morgan. Name me eloquence and I will answer you, Henry Clay. Name me greatness, and I will reply, Abraham Lincoln. But this new South, with its present aglow with action and its future alight with promise, is calling Kentucky; for by every tie of blood, birth and circumstance and situation, Kentucky belongs to the South, and—the South belongs to Kentucky.

Standing a very queen amid her sister States, with feet fast planted on the banks of the mightiest of inland waters, diademed with a mountain crown, zoned with exuberant soil, veined with inestimable mineral wealth, Kentucky guards the gateway to the greatest industrial empire the world has ever seen. And you and I must answer that insistent question, Where stands Old Kentucky?

We know that Kentucky's coal area is ten times as large as that of Great Britain, but our coal production is not one-hundredth as much. We know our lead and zinc deposits excel those of Missouri, but their development is hardly started. Admirably situated as the State is for every possible line of manufacturing, yet we export much of our raw material, instead of taking our toll from it ourselves. And yet, despite what we lack, I can draw confident inspiration from what has been accomplished. We need more enterprise, but it is fast coming. We need more money, but we will get it. We need to know better the vast resources of our State, but that knowledge is forcing itself upon the blindest. Kentucky is coming into her own in spite of all drawbacks. And Kentucky is being developed, as the South has been developed, by the work of her own sons. We are on the eve of a mighty industrial advance. The building of the Panama Canal will stimulate every Southern State with a magic touch. And the building of the Panama Canal inevitably means the construction of a deep water channel along the Ohio and Mississippi to the Gulf, means commerce in Kentucky will expand, till the bannered smoke of Louisville will challenge Pittsburgh's supremacy as the world's busiest workshop, till Paducah will measure up to her possibilities as one of the greatest manufacturing and distributing cities of the South, till every resource of the State is developed, all its mines give up their hoarded wealth, all its forests yield adequate returns, and all its fields, the richer grown from reaping, lavish prosperity upon her people. In the coming years, I confidently believe that when all the world cries, 'Southward, Ho!' pointing to the forefront of industrial battle, we can proudly say 'There stands Old Kentucky.'"

At the second day's session reports were presented by the vice-presidents for the several districts, those reporting being as follows: Second district, H. L. McPherson; third district, J. H. Covington; fourth district, Jno. T. Moore; fifth district, Capt. John H. Leathers, Louisville; sixth district, J. M. Giltner; seventh district, J. R. Downing; eighth district, J. M. Johnson; tenth district, A. H. Hampton; eleventh district, W. G. Simpson. These reports showed that business conditions in the State were generally satisfactory.

The report of the committee on nominations was presented, as follows:

President, H. C. Rodes, Louisville; vice-presidents for the eleven Congress districts, in the order named: J. C. Utterback, Paducah; W. M. Wright, Morganfield; T. P. Dickinson, Glasgow; S. B. Bottom, Lebanon, S. Thurston Ballard, Louisville; B. K. Wigginton, Butler; J. A. Steele, Midway; J. W. Gaines, Lawrenceburg; Chas. D. Pearce, Maysville; John E. Buckingham, Paintsville; John A. Black, Barbourville. Secretary, Isham Bridges, Louisville; treasurer, E. W. Hays, Louisville; executive committee: G. W. Welsh, Danville; R. W. Covington, Bowling Green; B. Woodford, Paris.

The report of the committee was adopted.

W. H. Preston, of San Francisco, made an address on "Credit Indemnity." The report of the auditing committee was made, approving the treasurer's report, and after some further routine business the convention adjourned.

A MINE OF INFORMATION.—The "Salt Lake Tribune," commenting on the October issue of the MAGAZINE, containing the proceedings of the convention of the American Bankers' Association, says: "The number is an exceedingly valuable one, both for present use and for preservation for reference. It is a mine of financial and statistical information."

AMERICAN NATIONAL BANK, BEAUMONT, TEXAS.

Although but three years old, the American National Bank, of Beaumont, Texas, has deposits amounting to $661,761, while the balance sheet represents a total of $924,486. The capital is $100,000, and the sound policy of the bank is shown in the aggregate surplus and profits—$62,724.

It will be seen that the bank is not only making money, but is making a judicious use of its earnings—not paying them all out in dividends, but holding a substantial portion for the better protection of its depositors.

While the American National has shared in the great prosperity that came to Beaumont as a result of the oil discoveries there, a considerable part of its success has been due to the careful yet energetic methods of those in control. B. R. Norvell is President; Geo. C. O'Brien, first Vice-President; W. C. Tyrrell, second Vice-President, and Charles H. Stroeck, Cashier. These gentlemen, assisted by a board of directors composed of representative local business men, have been thoroughly devoted to making the American National Bank a strong financial institution, offering adequate facilities for the wants of depositors, and making collections with all possible promptness and efficiency, as well as transacting all other kinds of legitimate bank business. Their efforts in these directions have met with an exceptional degree of success.

SUCCESS OF THE PHILIPPINE MONETARY SYSTEM.—A cablegram received on October 31 from Governor Wright of the Philippines indicates that the new monetary system has been put into use in the islands with entire success and that the use of Mexican and Spanish-Filipino coins has been practically discontinued. Following is the cablegram:

"The approach of November 1, when first currency taxing provisions effective, caused a large export of Mexican pesos commercially, and a large inflow of Spanish-Filipino coins in the Treasury. In September 1,197,500 Mexican pesos were exported and 538,622 Spanish-Filipino pesos came into the Treasury, and were withdrawn from circulation. During September actual circulation of new currency increased 1,891,000 pesos. In October to date 1,682,995 pesos Mexican currency have been exported commercially, and 950,000 Spanish-Filipino by the Insular Government for recoinage. Have on hand nearly 500,000 Spanish-Filipino pesos for recoinage. Increase of actual circulation of new coins for October approximately, 1,300,000 pesos.

"Every bank in Manila published notices refusing to receive old currency on deposit after September 30. Railroads receive no old currency at any price. Nearly all accounts of banks throughout the islands have been reopened in the new currency. Banking business has called in its old notes, issued new ones based upon the new currency. All new contracts are being made in new currency. Business throughout the archipelago conducted now mainly on new basis. Banks and large dealers co-operating with the Government. Very little old currency left and existing taxing provisions will eliminate that by January 1 next. The gold standard is an established fact and now meets approval of the entire public. Business conditions much improved."

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to THE BANKERS PUBLISHING Co., 87 Maiden Lane, New York.]

CLEARING OUT-OF-TOWN CHECKS IN ENGLAND AND THE UNITED STATES. By JAMES C. HALLOCK.

The author has given much time and study to one of the most important of modern banking problems—the proper treatment of country checks—and has collected a fund of information that must be helpful to a right comprehension of the matter. It was due to Mr. Hallock's untiring energy that the admirable and scientific plan now in use in Boston was put into execution, and one of the best features of the book is the complete detailed account of the methods employed in clearing New England checks.

As is well known, country checks are not cleared in New York as they are in Boston. In the latter city these checks are cleared and (with a few exceptions) are received on deposit at par, while in New York there is not only no system of clearing country checks, but they are (with a few trifling exceptions) subject to a discount.

The Boston plan of handling country checks seems the more scientific. Perhaps the committees appointed from time to time to study the decline of New York's trade might look into the effect of petty charges like those on country checks, for it is just such annoying practices that create a feeling of irritation and ultimate loss of trade. There can hardly be a doubt that the profits made by the banks from the charges on country checks have been dearly bought. In the end, in Mr. Hallock's opinion, New York will be found as progressive in this matter as London, Manchester, Boston and Sedalia, Mo., and provide for the clearing of country checks.

We shall attempt no complete analysis of this work, but hope that it may be generally read, for its contents are of direct practical interest to every banker in the United States.

WALL STREET AND THE COUNTRY: A STUDY OF RECENT FINANCIAL TENDENCIES. By CHARLES A. CONANT. New York: G. P. Putnam's Sons. $1.25.

The chief object of this volume the author declares to be to set forth the magnitude of the problems presented by the modern tendency to capitalization, and to remove "misapprehensions on the subject which seem to have obtained a lodgment in the minds of a certain portion of the public." He says that there is little reason to doubt that in the long run these problems will be solved by the American people with their usual sobriety and good sense. "It is to be regretted, however, that a degree of passion has been imported into their discussion which tends to hinder such a solution rather than to hasten it."

Perhaps it does not help the solution any to point out that those who are chiefly responsible for the condition which Mr. Conant deplores are

the mushroom trust promoters themselves. They will probably not get much sympathy, nor do they deserve it. But, on the other hand, it is undoubtedly true that hasty and ill-considered legislation or litigation to "smash the trusts" will react upon legitimate combinations of capital.

Mr. Conant has not omitted to recognize the abuses for which the trust form of organization was sometimes employed up to 1903. He points out, however, that while the unscrupulous promoter sprung up out of the environment of a public clamor for more securities, as on previous occasions of speculative mania, many of the mistakes made in trust management were the result of the natural evolution of new forms of enterprise. Just as it required experience to determine how bad were the banking methods of 1837 and 1857, and how extravagant were some of the dreams of railway organizers a generation ago, so the test of experience has been applied to the form of trust organization. The weakest parts of the organism have been exposed and will be strengthened in future.

The essential theme of the book, so far as it relates to the trust problem, is the plea for leaving individual initiative unfettered. It is pointed out that excessive government regulation can seldom keep pace with new devices for defrauding the public, or can do so only at the expense of interfering with the evolution of new inventions and the test of new methods of business and finance, which finally work out in important economies and economic progress.

The part which the stock and produce exchanges play in equalizing prices and maintaining relative steadiness in the markets is set forth in clear and popular fashion. Special stress is laid on the fact that the prices of securities determine the direction in which capital should be applied, by affording large returns where money is profitably invested and small returns where it is employed in directions which do not meet popular demand.

Aside from these chapters, which may be classed as doctrinal, there is much information given by the author in regard to the progress of the nineteenth century. The astonishing manner in which the productive power of the human race has outstripped population, extended lines of communication, and increased the luxuries at the command of every individual, is brought out by a striking compilation of figures gathered from many sources and illustrating many sides of the problem. For the financier who desires to study the underlying economic causes which govern his own operations, or for the student who desires to get a peep inside the great engine of modern finance the book should have many attractions.

Agricultural Banks in England.—One of the latest proposals made for helping the small farmer in England is the establishment of credit banks. Where this system has been tried it has proved a success. In the congested districts of Ireland there are seventy-seven agricultural banks, and these institutions are gradually extending their operations among the small landholders, for whose benefit they were established. Part of the funds is supplied by the "congested board" and part is raised locally. Thus far the local deposits have been larger on the average than those obtained from the Government. The board declares its satisfaction with the progress of the movement, and it is hoped and urged that the system be extended to England, where the press argues it would work to great advantage.—*Joseph G. Stephens, Consul, Plymouth, England.*

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of New National Banks (furnished by the Comptroller of the Currency), State and Private Banks, Changes in Officers, Dissolutions and Failures, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—A special messenger in the Chase National Bank, employed to safeguard the mail to and from the postoffice and also packages of value to and from the Sub-Treasury, after nine years of service, was detected in pilfering from the mail letters containing currency in small amounts. The amount of his pilferings was somewhat less than $1000. The proof of his guilt was so apparent that he plead guilty upon the trial. Justice Warren W. Foster, in imposing sentence, rendered a great service to the banking and business public, and his language is worthy of wide publicity. The sentence follows:

The Court: John L. Carter, you are a bank thief, and if there is any class in the community that must be severely dealt with, it is the bank thief. The product of all honest toil is entrusted to our banks for safe keeping, and you, who are employed in the banks and surrounded by constant temptation, must understand that the law will be enforced and punishment will follow stealing. I owe a duty to the entire community to punish you so that the thousands of bank clerks in this city may know that their stealing will surely be followed by severe punishment. You are an old man, and I am sorry for you, but you are old enough to know better, and your sixty-eight years of honest toil ought to have taught you that honesty is the best policy.

I am told this offense is not the only offense; that others are coming to light. You had charge of the bank's mail, and you stole the mail. You stole a money order for $1000. You could not get cash on that and you tore it up, and the bank may lose the $1000. I don't know what poor people will suffer from these thefts of yours. You are not the only one deserving of mercy; the entire community is deserving of mercy, and punishment to you will be a lesson to others, and I hope have a good effect. The sentence of the Court in your case is that you be imprisoned in the State prison for not more than three years and eight months, and not less than three years and seven months.

—Frank A. Vanderlip, Vice-President of the National City Bank, addressed the meeting of New York Chapter, American Institute of Bank Clerks, on the evening of November 10. He spoke strongly in favor of the better education of bank clerks, and especially commended the system of training in the German banks.

—A meeting of New York Chapter, American Institute of Bank Clerks, was held at the rooms of the Chapter, 32 Waverly place, Friday evening, November 25. Addresses were made by Henry Dimse, Cashier Citizens' Central National Bank; Jesse C. Joy, Cashier Hamilton National Bank; H. K. Twitchell, Assistant Cashier Chase National Bank; Clarence Foote, Assistant Cashier National Bank of Commerce; J. A. Carr, Assistant Cashier Market and Fulton National Bank.

—The Battery Park National Bank opened at 24 State street, November 21, E. A. De Lima is President, Edwin B. Day, Cashier, and George S. Talbot, Assistant Cashier.

—Valentine P. Snyder, President of the National Bank of Commerce, has been elected a director of the Morton Trust Co., to fill the vacancy caused by the death of Joseph C. Hendrix.

—Charles O. Gates, president of the Royal Baking Powder Co., is a new director of the Greenwich Bank.

—J. Temple Gwathmey, an ex-president of the New York Cotton Exchange, and a member of the firm of Gwathmey & Co., was recently elected a director of The Mutual Alliance Trust Company, the offices of which are 323 Grand street and 66 Beaver street.

—A dinner in honor of President Henry R. Wilson, of the Lincoln Trust Co., was given by the staff of the company at the Hotel Astor on the evening of November 2, the date marking the second anniversary of the company's opening.

—President Lewis E. Pierson, of the New York National Exchange Bank, recently returned to his desk after an absence of eleven weeks, due to illness.

—Messrs. Kuhn, Loeb & Co., the National City Bank and the National Bank of Commerce received subscriptions for $30,000,000 of the new Japanese six per cent. loan, the offering price being eighty-eight and accrued interest. The offering was a complete success.

NEW ENGLAND STATES.

Boston.—The Old Colony Trust Co. has purchased the business and assets of the Copley Trust Co., the latter going into liquidation. The Copley Trust Co. began business in 1903 with $500,000 capital. Its last official report showed resources of $754,594.

SOUTHERN STATES.

El Paso, Tex.—It is announced that the Lowdon National Bank and National Exchange Bank will be consolidated. Both institutions, it is said, will go into liquidation at the close of the year, and a new institution will be organized to succeed them, beginning business as the American National Bank on January 2 with $200,000 capital. Officers and directors of both the present banks will be connected with the new institution.

Gulfport, Miss.—Recent mention was made of Gulfport as the largest point of export for lumber in the South. For the year ended June 30, 1904, it is bettering its former record. Although its exports of lumber last year were the largest in the history of the city, the first four months of the current fiscal year show a gain of over 100 per cent. over the same months of 1903, shipments amounting to 81,000,000 feet, as compared with 39,000,000 feet last year.

Activity among the numerous plants producing naval stores along the line of the Gulf & Ship Island Railroad, whose southern terminus is located at Gulfport, is indicated in the shipment of naval stores. During the four months ended with October over 51,000 barrels of turpentine and rosin were exported. In the same four months of 1903 no shipments of these commodities were made.

New Banks in Tennessee.—Fifty-two State banks with a total capital of $1,291,000 have been chartered in Tennessee during the past year. This breaks all previous records. Twenty-three of the new banks are located in the twenty-one counties of West Tennessee; eighteen are located in Middle Tennessee, and eleven in thirty-four counties in East Tennessee. Gibson leads with four new banks.

WESTERN STATES.

Chicago.—Through the courtesy of the Home Savings Bank, The Bankers' Magazine has been furnished with some interesting comparative figures relating to the Chicago banks. On November 11, 1904, the deposits reported were:

Savings deposits	$123,216,267
Bank deposits	179,025,105
Individual deposits	289,714,027
Total deposits	$591,955,399

On June 13, 1873, the total banking capital of Chicago was only $11,940,700 and deposits $40,600,522.

Nebraska Bankers' Association.—The eighth annual convention of the Nebraska Bankers' Association was held at Omaha, October 26 and 27. Gen. Charles F. Manderson made the address of welcome, and Geo. W. Post, President of the First National Bank, of York, responded for the bankers. President J. T. Trenery's annual address, and reports of various officers and committees followed. "Farm Mortgages," "Trust Companies" and "Emergency Currency" were among the subjects discussed. Resolutions were adopted in favor of the repeal of the provision in the National Banking Act limiting the retirement of National bank notes to $3,000,000 a month; also in favor of a bill permitting

customs receipts to be deposited in the banks; urging that the Nebraska State University establish a department of instruction in banking, finance and commerce, and approving the Lodge Bill for reorganizing the U. S. consular service.

J. T. Trenery, President of the Farmers' National Bank, Pawnee City, was re-elected president of the association, and E. F. Folda, Cashier of the Banking House of F. Folda, of Schuyler, was re-elected vice-president.

Oshkosh, Wis.—The New German-American Bank, which moved into its handsome new building last September, is gaining steadily in the volume of its business, deposits showing a remarkable increase.

The German-American Bank was founded February 1, 1890, and prospered from the start under the Presidency of Joseph Stringham, one of the best-known citizens of Oshkosh. T. R. Frentz was chosen Cashier on the organization of the bank and has continued in that position ever since. The first Vice-President was C. W. Davis, who on May 6, 1892, succeeded Mr. Stringham as President. Chas. W. Radford is the present Vice-President.

On May 14, 1903, the German-American Bank was reorganized as the New German-American Bank.

The new building of the bank is two stories and is built of Bedford stone; counters are of green Alpine marble, with solid brass railings, and the interior woodwork, as well as the furniture, is solid mahogany. The main banking room, the directors' room and ladies waiting room are all furnished and arranged in the best taste, while the vaults afford the maximum of safety.

Cleveland, Ohio.—On November 25 stockholders of the Commercial and Mercantile National Banks ratified the plan for merging the two banks. The merger went into effect December 1, the succeeding institution being the National Commercial Bank, which has $1,500,000 capital, and starts with $4,400,000 deposits.

Olathe, Kans.—The First National Bank is remodelling its building, both outside and inside. New fixtures will be put in, including vaults and safe-deposit boxes. When the improvements are completed the First National will have one of the finest banking quarters in this part of the country.

Paola, Kans.—The Miami County Bank now occupies its remodelled banking rooms, and they present an attractive and substantial appearance. A healthy growth in deposits is shown in the bank's last statement.

Hamburg, Iowa.—The Farmers' National Bank recently moved back into its building, which has undergone extensive repairs and has been refitted with modern equipment, including double vaults and safe-deposit boxes. The fixtures, which were installed by the Art Metal Construction Co., of Jamestown, N. Y., are described as "literally a work of art."

St. Joseph, Mo.—Progressiveness is shown by the German-American Bank, which recently remodelled its banking rooms, doubling the available space and adding new steel vaults and other fixtures. Deposits have grown substantially in the past year, and now amount to about $2,500,000.

Leavenworth, Kans.—The Leavenworth National Bank, which has occupied the same building for twenty-two years, has entirely remodelled the structure, which now presents a handsome appearance, with its front of Bedford stone, newly decorated walls and ceiling and mahogany furniture. More than double the former space has been secured as a result of the improvement.

Galesburg, Ill.—C. E. Johnson, formerly teller of the People's Trust and Savings Bank, is now Assistant Cashier of the Bank of Galesburg. Mr. Johnson's life has been passed here, and he has had ten years' experience with local banks. His work and general qualifications are highly commended.

Springfield, Ill.—Early in October the Farmers' National Bank, of this city, moved into its new fire-proof building at the northeast corner of Sixth and Adams streets, diagonally opposite the old building. The new building is one of the finest and most modern office buildings in the State outside of Chicago. The first floor will be occupied by the bank. There are forty-two offices on the upper floors.

The Farmers' National Bank was organized in 1882, and began business May 15 of that year. It has uninterruptedly paid semi-annual dividends of four per cent. Originally the capital was $150,000, but in 1890 it was increased

to $200,000. Surplus and profits amount to $127,000. Officers of the bank are: President, Samuel Mendenhall; Vice-President, Samuel J. Stout; Cashier, Edward D. Keys; Assistant Cashier, William T. Lewis; second Assistant Cashier, A. O. Peterson. The service of most of the bank's employees dates back a number of years. W. T. Lewis, Assistant Cashier, began as teller when the bank was organized. Alfred O. Peterson, second Assistant Cashier, has been in the bank twenty-one years, and John O. Rames, jr., seventeen years.

Bankers' Group Meeting.—Group 15 of the Iowa Bankers' Association held a meeting at Oskaloosa on Wednesday, November 2, and those present were handsomely entertained by the bankers of that city. The banks closed at noon and from that time on till long past midnight every officer and clerk made it his business to see that each delegate had a good time.

The visitors were met at the trains by the reception committee, driven over the city, and taken to their hotel, where they were registered. Headquarters were at the Elks' Club Building, where refreshments were served and the afternoon business session held.

The ladies were especially looked after in the evening, an excellent musicale being furnished by Des Moines talent, followed by a dance. A fine buffet lunch was served late. The event was made as informal as possible and was by all voted the most enjoyable meeting yet held. About 100 were present, including several prominent bankers from Chicago and Des Moines.

PACIFIC SLOPE.

Los Angeles, Cal.—The Security Savings Bank has absorbed the business of the Los Angeles Savings Bank. This merger gives the Security Savings Bank resources of over $11,000,000; making it the largest Savings bank in Southern California. John E. Plater, President of the Los Angeles Savings Bank, will become Vice-President of the Security Savings Bank.

Oakland, Cal.—The West Oakland Bank and Trust Company, recently organized here, and located at 1788 Seventh street, begins business under favorable circumstances. There was a promising opening in this locality for such an institution, and the new bank is fully prepared to meet the requirements for bank and trust company facilities. The officers are as follows: President, C. M. Willard; first Vice-President, M. E. Daugherty; second Vice-President, E. C. Hahn; Cashier, C. L. Wines. Wm. Long, O. F. Breiling and F. N. Myers are directors, and J. J. Allen, Attorney.

Tacoma, Wash.—The statement of the condition of the Fidelity Trust Co. for November 10 shows deposits $1,712,653, compared with $1,477,238 on November 10, 1903. Since November 10, 1901, deposits have increased nearly $1,000,000.

Cody, Wyo.—On the afternoon of November 1 the First National Bank was attacked by bandits. When they ordered the Cashier and his Assistants to throw up their hands, the bank officials fired on the robbers. In the fight Cashier J. O. Middaugh lost his life. The robbers escaped.

New Counterfeit $10 U. S. Note (Buffalo Note).—Series of 1901; check letter D; plate number 174; J. W. Lyons, Register of the Treasury; Ellis H. Roberts, Treasurer of the United States; portraits of Lewis and Clark. This is a reproduction by the photo-mechanical process, printed on two pieces of thin, soft paper, between which pieces of heavy red and blue silk have been distributed.

The shade lines behind the Buffalo extend into the seal and red numeral and appear prominently as if printed over the seal and numeral. A period is used between "Washington" and "D. C." on left face of note, instead of a comma. Only vertical lines are used in the shading behind the portraits of Lewis and Clark while in the genuine both vertical and diagonal lines are used.

While the general appearance of this counterfeit is deceptive, the flimsy character of the paper and the coarseness of the silk threads, with the points above given, should enable the careful handler to easily determine its true character.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of new National banks organized since our last report.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Waterloo, Wis.; by D. L. Hannifin, et al.

Celina National Bank, Celina, Texas; by J. L. White, et al.

Maynard National Bank, Maynard, Mass.; by F. H. Harriman, et al.

First National Bank, Mount Vernon, S. D.; by J. M. Newell, et al.

People's National Bank, Economy, Pa.; by Agnew Hice, et al.

Citizens' National Bank, Vicksburg, Miss.; by S. S. Hudson, et al.

First National Bank, Prosser, Wash.; by P. E. Harris, et al.

American National Bank, Ponca, Okla.; by L. C. Parmenter, et al.

Hagerman National Bank, Hagerman, N. M.; by A. R. Teeple, et al.

First National Bank, Montclair, N. J.; by Geo. J. Carr, et al.

National Commercial Bank, Cleveland, Ohio; by Edwin R. Perkins, et al.

First National Bank, Katy, Tex.; by F. A. Tucker, et al.

First National Bank, Wolbach, Neb.; by L. J. Dunn, et al.

First National Bank, Archbold, Ohio; by I. W. Gotshall, et al.

Diamond National Bank, West Brownsville, Pa.; by Geo. W. Acklin, et al.

Monroe National Bank, Monroe, N. Y.; by Clarence S. Knight, et al.

National Bank of Meridian, Meridian, Miss.; by O. L. McKay, et al.

Belton National Bank, Belton, Texas; by J. Z. Miller, et al.

First National Bank, Irving, Ill.; by C. B. McKenney, et al.

Commercial National Bank, Greenville, Tex.; by J. O. Teagarden, et al.

Delaware National Bank, Delaware, O.; by E. I. Pollock, et al.

Citizens' National Bank, Tipton, Ind.; by F. E. Davis, et al.

First National Bank, Logan, W. Va.; by W. S. Foutz, et al.

First National Bank, Bowerston, O.; by W. B. Penn, et al.

First National Bank, Eldorado, Ill.; by A. H. Kinsall, et al.

Albion National Bank, Albion, Mich.; by H. M. Dearing, et al.

First National Bank, Aubrey, Tex.; by J. Samuels, et al.

First National Bank, Hyattsville, Md.; by Francis H. Smith, et al.

First National Bank, Lake City, Fla.; by J. C. Sheffield, et al.

First National Bank, Oakdale, Cal.; by Wm. Lindsay Rodden, et al.

Woburn National Bank, Woburn, Mass.; by John W. Johnson, et al.

First National Bank, Rippey, Ia.; by J. H. Woodworth, et al.

First National Bank, Newman, Ill.; by Guy A. Lee, et al.

First National Bank, Brookhaven, Miss.; by F. F. Becker, et al.

Phoenix National Bank, Pittsburg, Pa.; by J. S. Rodgers, et al.

Lenora National Bank, Morehead, Ky.; by Luke P. V. Williams, et al.

Bokchito National Bank, Bokchito, I. T.; by S. T. Bentley, et al.

Kenwood National Bank, Chicago, Ill.; by A. K. Brown, et al.

Application for Conversion to National Banks Approved.

Commercial State Bank, Oxford, Neb.; into First National Bank.

Watertown State Bank, Watertown, S. D.; into Security National Bank.

National Banks Organized.

7451—First National Bank, Sylacauga, Ala. Capital, $30,000; Pres., B. Russell; Cas., S. P. McDonald.

7452—Danvers National Bank, Danvers, Massachusetts. Capital, $100,000; Pres., G. A. Tapley; Cas., B. E. Newhall.

7453—DuBois National Bank, DuBois, Pa. Capital, $100,000; Pres., J. E. DuBois; Vice-Pres., J. A. Gregory; Cas., S. C. Bond; Asst. Cas., C. H. Marshall.

7454—People's National Bank, Muncie, Ind. Capital, $100,000; Pres., Edward Tuhey; Vice-Pres., Walter Snider; Cas., Charles H. Ellis.

7455—Western National Bank, Michell, S. Dak. Capital, $50,000; Pres., O. E. Cassem; Vice-Pres., L. D. Milne; Cas., J. P. Myers; Asst. Cas., W. A. Heimberger.

7456—Hamilton County National Bank, Cleves, O. Capital, $25,000; Pres., Morgan Walmsley; Vice-Pres., H. Lee Early; Cas., Walter C. Renaker.

7457—Western National Bank, Louisville, Ky. Capital, $300,000; Pres., W. B. Smith; Vice-Pres., F. A. Henry, Jr.; Cas., T. L. Jefferson; Asst. Cas., Louis Metz.

7458—First National Bank, Johnston City, Ill. Capital, $25,000; Pres., J. S. Lewis; Vice-Pres., C. E. McClintock; Cas., M. Ozment; Asst. Cas., Richard D. Ozment and W. J. Burgess.

7459—First National Bank, Fort Valley, Ga. Capital, $25,000; Pres., W. H. Harris; Cas., J. C. McDonald.

7460—National Bank of Jamesport, Jamesport, Mo. Capital, $30,000; Pres., Thomas K. Hays; Vice-Pres., W. N. Keener and J. H. Klepper; Cas., W. J. Klepper; Asst Cas., S. L. Reece.

7461—First National Bank, McComb City, Miss. Capital, $50,000; Pres., J. H. Fulton; Vice-Pres., J. L. Moyse; Cas., O. B. Quin.

7462—Old National Bank, Beaver Dam, Wis. Capital, $80,000; Pres., J. S. Rowell; Vice-Pres., E. C. McFetridge; Cas., J. E. McClure; Asst. Cas., A. B. Chandler.

7463—First National Bank, Montezuma, Ind. Capital, $25,000; Pres., Wm. H. Sylvester; Cas., Willard E. Rupe.

7464—First National Bank, Piedmont, Ala. Capital, $25,000; Pres., J. W. Hawke; Vice-Pres., M. B. Wellborn; Cas., O. W. Sharpe.

7465—Union National Bank, Johnstown, Pa. Capital, $200,000; Pres., Geo. H. Love; Vice-Pres., Wm. H. Sunshine; Cas., Thomas H. Watt.

7466—Merkel National Bank, Merkel, Tex. Capital, $25,000; Pres., Jos. H. Warnick; Vice-Pres., J. O. Hamilton; Cas., Wm. H. Dunning.

7467—First National Bank, Union Springs, Ala. Capital, $50,000; Pres., Thomas Edwards; Vice-Pres., C. H. Haynes; Cas., Hugh Foster.

7468—First National Bank, Statesboro, Ga. Capital, $25,000; Pres., Brooks Simmons; Cas., J. E. McCroan.

7469—First National Bank, Montour, Ia. Capital, $25,000; Pres., A. B. Taplin; Cas., R. E. Austin, Jr.

7470—First National Bank, Weyauwega, Wis. Capital, $25,000; Pres., R. H. Edwards; Vice-Pres., Herman Koehler.

7471—Fredonia National Bank, Fredonia, Pa. Capital, $25,000; Pres., W. H. Moore; Cas., Lyle W. Orr.

7472—Dallas National Bank, Dallas, Ore. Capital, $25,000; Cas., E. Hayter.

7473—Mount Jewett National Bank, Mount Jewett, Pa. Capital, $60,000; Pres., Murton J. Gallup; Vice-Pres., Benjamin N. McCoy; Cas., James G. Amsler.

7474—Bellingham National Bank, Bellingnam, Wash. Capital, $100,000; Pres., Victor A. Roeder; Cas., F. F. Handschy.

7475—First National Bank of Coos Bay, Marshfield, Ore. Capital, $25,000; Pres., John S. Coke; Cas., Walter S. McFarland.

7476—First National Bank, Arcadia, La. Capital, $50,000; Pres., S. W. Smith, Jr.; Vice-Pres., B. Capers; Cas., L. M. Tooke; Asst. Cas., T. H. Taroed.

7477—Security National Bank, Randolph, Neb. Capital, $50,000; Pres., Paul Buol; Vice-Pres., August F. Huwaldt; Cas., C. H. Randall; Asst. Cas., Fred M. Buol.

7478—Old State National Bank, Evansville, Ind. Capital, $250,000; Pres., R. K. Dunkerson; Vice-Pres. and Cas., Henry Reis.

7479—Gavitt National Bank, Lyons, N. Y. Capital, $60,000; Pres., Saxon B. Gavitt; Cas., Saxon B. Gavitt, 2nd.

7480—First National Bank, Santa Maria, Cal. Capital, $50,000; Pres., Archibald McNeil; Vice-Pres., Reuben Hart; Cas.. John E. Walker.

7481—Farmers' and Merchants' National Bank, Merkel, Tex. Capital, $25,000; Pres., J. T. Warren; Vice-Pres., G. F. West and Henry James; Cas., T. A. Johnson.

7482—Farmers' National Bank, Seymour, Tex. Capital, $30,000; Pres., H. P. Branham; Vice-Pres. and Cas., R. E. Fowlkes; Asst. Cas., W. T. Britton.

7483—West Winfield National Bank, West Winfield, N. Y. Capital, $25,000; Pres., E. P. McFarland; Vice-Pres., O. L. Southworth; Cas., H. H. Wheeler; Asst. Cas., L. B. Wheeler.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Albertville—Bank of Albertville; capital, $50,000; Pres., Hogan Jackson; Vice-Pres., James R. Sherman.

Aliceville—Aliceville Bank and Trust Co.; capital, $10,000; Pres., John T. Cochrane; Vice-Pres., J. M. Summerville; Cas., H. M. Butler.

Carbon Hill—Carbon Hill Banking Co.; capital, $25,000; Pres., Lee Stone; Vice-Pres., G. B. McCormack; Cas., J. H. Bemiss.

Fruitdale—Bank of Fruitdale; capital, $10,000; Pres., E. F. Ballard; Cas., W. A. Haight.

ALASKA.

Nome—Merchants' and Miners' Bank; capital, $100,000; Pres., Eugene Chilberg; Vice-Pres., J. S. Kimball; Cas., C. G. Cowden.

ARKANSAS.

Clarendon—Citizens' Bank; capital, $25,000; Pres., W. L. Jefferies; Vice-Pres., O. J. Cotter; Cas., J. M. Kerr; Asst. Cas., J. E. Pinkley.

CALIFORNIA.

Long Beach—Long Beach Trust Co.; capital, $24,000; Pres., J. B. Losee; Vice-Pres., R. Loynes; Cas., W. S. Stevens.

Oxnard—Oxnard Savings Bank; capital, $12,500; Pres., Jay Spence; Vice-Pres., J. A. Driffill; Cashier, F. H. Thatcher.

San Francisco—Standard Bank (successor to Wage Earners' Savings Bank); Pres., John E. Morris; Vice-Pres., Chas. Y. DeLay; Cas., Kenneth A. Millican.

GEORGIA.

Abbeville—Bank of Abbeville; capital, $15,000; Pres., J. F. Cook; Vice-Pres., S. H. D. Barnes; Cas., J. A. Ash.

Covington—Bank of Newton County; capital, $31,000; Pres., T. C. Swann; Vice-Pres., T. A. Perry; Cas., A. B. Simms.

Watkinsville—Oconee County Bank; capital, $25,000; Pres., R. M. Jackson; Cas., M. M. Stephenson.

IDAHO.

Sugar City—Fremont County Bank; capital, $25,000; Cas., Art I. Comstock.

ILLINOIS.

So. Wilmington—Bank of So. Wilmington; Pres., J. C. Lutz; Cas., J. C. Lutz, Jr.; Asst. Cas., A. M. Johnson.

INDIANA.

Clarksburg—Clarksburg State Bank; capital, $12,500; Pres., Everett Hamilton; Vice-Pres., J. N. Moore; Cas., W. J. Gemmill.

Pine Village—Bank of Pine Village (successor to Isley & Hickman); Pres., Jas. C. Jones; Vice-Pres., C. J. Jones; Cas., C. Ray Rowen.

INDIAN TERRITORY.

Ardmore—Bankers' Trust Co.; capital, $250,000; Pres., C. W. Baumbach; Vice-Pres., F. E. Wettstein; Treas., A. P. White; Sec., S. P. Dings.

Haskell—First Bank; capital, $10,000; Pres., J. C. Scully; Vice-Pres., Thomas J. Way; Cas., R. Brownbridge.

Mannford—Bank of Mannford; capital, $5,000; Pres., G. M. Weems; Vice-Pres., J. Q. Newell; Cas., Verne Marple; Asst. Cas., Frank Adams.

IOWA.

Meservey—Farmers' Savings Bank; capital, $10,000; Pres., H. J. Klemmer; Vice-Pres., Conrad Bier; Cas., E. W. Russell.

KANSAS.

Frederick—Frederick State Bank (successor to Bank of Frederick); capital, $10,000; Pres., Geo. T. Tremble; Vice-Pres., J. E. Johnston; Cas., W. S. Bean.

Ionia—Ionia State Bank; capital, $10,000; Pres., Ben Kuiken; Vice-Pres., B. D. Rose; Cas., A. H. Poppin.

White Cloud—White Cloud State Bank; capital, $10,000; Pres., J. Lahmer; Vice-Pres., Lillian A. Lahmer; Cas., W. L. Lynds.

KENTUCKY.

Inez—Inez Deposit Bank; capital, $13,000; Pres., L. Dempsey; Vice-

Pres., M. C. Kirk; Cas., W. T. Cain.
Owensboro—State Bank of Kentucky; capital, $15,000; Pres., R. G. Hill; Vice-Pres., T. M. Murphy; Cas., J. W. Day; Asst. Cas., E. E. Bristow.

MAINE.

Belfast—Waldo Trust Co. (successor to People's National Bank); capital, $50,000; Pres., Chas. E. Knowlton; Vice-Pres., C. O. Poor; Cas., Frank R. Wiggin.

MARYLAND.

Chestertown — Chestertown Bank (successor to Chestertown National Bank); Pres., Alday Clement; Vice-Pres., Richard D. Hynson; Cas., Wm. Walter Chapman.

MICHIGAN.

Manton—Manton State Bank (successor to Exchange Bank); capital, $20,000; Pres., Geo. F. Williams; Vice-Pres., James R. Oakes; Cas., J. E. Jones.
Remus—Bank of Remus; Pres., William H. Wallace; Vice-Pres., Wm. J. Orr; Cas., Geo. Bilbrough.
Vanderbilt—Bank of Vanderbilt; Cas., H. S. Glezin.

MINNESOTA.

Brooks—First State Bank; capital, $10,000; Pres., L. C. Simons; Vice-Pres., Chas. N. Bourdon; Cas., W. B. Cheshire.
Plummer—First State Bank; capital, $10,000; Pres., L. C. Simons; Vice-Pres., Chas. N. Bourdon; Cas., Henry J. Enderle.
Roseau—Citizens' Bank; Pres., S. T. Holdahl; Cas., Olaf Holdahl.

MISSISSIPPI.

Courtland—Bank of Courtland; capital, $10,000; Pres., A. F. Oliver; Vice-Pres., J. M. Bailey; Cas., James B. Leavell.
Ripley—Bank of Ripley; capital, $25,000; Pres., S. S. Finger; Vice-Pres., T. C. Hines; Cas., W. L. Matthews.

MISSOURI.

Barnett—Capital, $5,549; Pres., W. L. Bradshaw; Vice-Pres., H. F. Beckman; Cas., W. W. Gillum; Asst. Cas., W. H. Strong.
Bosworth—Citizens' Bank; capital, $17,000; Pres., Geo. C. Miller; Vice-Pres., Noah Huntzinger; Cas., Thomas A. Orr; Sec., W. S. Windsor.
Cape Girardeau—Farmers' and Merchants' Bank; capital, $15,000; Pres., Henry C. Hauenschild; Vice-Pres., G. J. Keller; Cas., Lee L. Albert; Asst. Cas., Robert Vogelsang.
Eureka—Bank of Eureka; capital, $6,000; Pres., Lee E. Monroe; Vice-Pres., Phi P. Lewis, Jr.; Cas., F. S. Huey.
Holcomb—People's Bank; capital, $7,000; Pres., J. S. Grabiel; Vice-Pres., John A. Hogne; Cas., S. E. Bage.
St. Joseph—Drovers' and Merchants' Bank; capital, $15,000; Pres., Porter A. Thompson; Vice-Pres., Thomas R. Early; Cas., F. E. Patterson.
Sugar Creek—Bank of Commerce; capital, $10,000; Pres., Fred Huttig; Vice-Pres., J. M. Patterson; Cas., D. A. Espy.—First International Bank; capital, $10,000; Pres., John Moore; Vice-Pres., M. L. Earhart; Cas., B. Peuzan.
Treloar—Farmers' Bank; capital, $10,000; Pres., Samuel Sutter; Vice-Pres., H. H. Wessel; Cas., J. W. Thee; Asst. Cas., H. W. Gruebbel.
Whitewater—Bank of Whitewater; Pres., J. M. Devore; Vice-Pres., G. F. Snider; Cas., J. S. Medley.

MONTANA.

Harlowton — Bank of Harlowton (Benjamin Urner).

NEBRASKA.

Ansley—Farmers' State Bank; capital, $7,500; Pres., Geo. E. Richmyer.
Brady—Bank of Brady; capital, $5,000; Pres., H. L. Carlson; Vice-Pres., M. E. Carlson; Cas., Bruce Carlson.

NEW YORK.

Bayside—Frederic Storm.
Prattsburg—Prattsburg State Bank (successor to W. F. McLean's Bank); capital, $25,000; Pres., Wm. G. Dean; Vice-Pres., Ira C. Pratt; Cas., Robert J. Scott.

NORTH DAKOTA.

Church's Ferry—State Bank; capital, $10,000; Pres., J. G. Jacobson; Vice-Pres., J. G. Nichol.
Niagara—Bank of Niagara; capital, $10,000; Pres., J. B. Ray; Vice-Pres., Geo. B. Kirk, Jr.; Cas., David Kirk.
Sawyer—Sawyer State Bank; capital, $10,000; Pres., J. Rosholt; Vice-Pres., R. H. Murphy; Cas., O. J. Mortenson.

OHIO.

Beach City—Citizens' Bank; capital, $15,000; Pres., M. R. Woodling;

Vice-Pres., J. J. Schlafly; Cas., F. R. Schlafly.

Columbus—Eugene Gray & Co. (successor to Claude Meeker).

Sugar Creek—Citizens' Bank; capital, $20,000; Pres., Edward Shepfer; Cas., C. V. Shepfer.

OKLAHOMA.

Zula—State Bank of Dacoma; capital, $10,000; Pres., Fred N. Winslow; Vice-Pres., John G. Duncan; Cas., Geo. Weaber.

OREGON.

Goldhill—Goldhill Bank; capital, $12,500; Pres., J. E. Enyart; Vice-Pres., Horace Pelton; Cas., J. L. Hammersley.

Prineville—Crook County Bank; capital, $25,000; Pres., W. A. Booth; Vice-Pres., C. M. Elkins; Cas., Fred W. Wilson.

PENNSYLVANIA.

Blain—Bank of Blain (Branch of Bank of Landisburg).

York Springs—Bank of York Springs; capital, $10,000; Pres., Anthony Deardorff; Vice-Pres., Amos F. Bushey; Cas., Horace F. Smith.

SOUTH CAROLINA.

Mullins—Merchants' and Planters' Bank; capital, $25,000; Pres., P. S. Cooper; Vice-Pres., E. C. Edwards; Cas., Thomas E. Cooper.

St. George—Bank of St. George; capital, $25,000; Pres., L. A. Klauber; Vice-Pres., W. C. Pearcy; Cas., W. B. Raysor.

TENNESSEE.

Lancaster—Lancaster Banking Co.; capital, $15,000; Pres., David Rowland; Vice-Pres., L. E. Simpson; Cas., Will T. Simpson.

McCays—Polk County Bank; capital, $15,000; Pres., J. B. Witt; Vice-Pres., D. C. McCay; Cas., James H. McCay.

Oneida—Scott County Bank; capital, $16,000; Pres., C. Cross; Vice-Pres., E. G. Foster; Cas., W. C. Anderson.

White Bluff—Farmers' and Merchants' Bank; capital, $8,000; Pres., Pitt Henslee; Vice-Pres., J. G. Brown; Cas., H. J. Bowers.

TEXAS.

Bremond—Farmers' and Merchants' Bank; capital, $10,000; Pres., Geo. W. Riddle; Cas., S. M. Peters.

Center Point—Guadaloupe Valley Trust Co.; capital, $15,000; Pres., Alonzo Rees; Vice-Pres., J. N. Hodges; Treas., G. P. McCorkle.

Dallas—City Loan and Trust Co.; capital, $25,000; Pres., John A. Barnard; Vice-Pres., L. R. Terry; Cas., F. R. Malone.

Groesbeck—Continental Bank and Trust Co.

Clifton Forge—Merchants' and Farmers' Bank; capital, $25,000; Pres., W. G. Mathews; Vice-Pres., E. W. Grice; Cas., J. H. Drewry.

WASHINGTON.

Clealum—Cle Elum State Bank; capital, $15,000; Pres., Frank Carpenter; Vice-Pres., Thomas L. Gamble; Cas., R. R. Short.

WISCONSIN.

Black Earth—Black Earth State Bank; capital, $12,000; Pres., G. W. Parker; Vice-Pres., John A. Ward; Cas., O. W. Donkle.

Genoa Junction—Citizen's State Bank (successor to C. A. Stone); capital, $12,000; Pres., James G. Allen; Vice-Pres., H. W. Smith; Cas., C. A. Stone.

CANADA.

ONTARIO.

Blenheim—Standard Bank of Canada; E. L. Williams, Mgr.

Moorefield—Bank of Hamilton; J. M. Campbell, Agt.

BRITISH COLUMBIA.

Arrowhead—Imperial Bank of Canada.

Enderby—Bank of Montreal.

QUEBEC.

Amqui—Banque Nationale; Ernest Biladeu, Mgr.

Deschaillons — Banque Nationale; A. A. Dionne, Mgr.

NORTHWEST TERRITORY.

Nanton—Canadian Bank of Commerce; W. G. Lynch, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Ensley—Bank of Ensley; Charles A. Nolan, Cas., deceased.

ALASKA.

Juneau—First National Bank; C. M. Summers, Pres. in place of W. T.

Summers; S. G. Holt, Acting Cas. in place of C. M. Summers; no Asst. Cas. in place of S. G. Holt.

ARIZONA.

Tombstone—First National Bank; James Reilly, Pres. in place of M. D. Scribner; Frank Hare, Vice-Pres. in place of James Reilly.

ARKANSAS.

Eureka Springs—Commercial Bank; L. W. McCory, Cas. in place of H. W. Conger.

CALIFORNIA.

Los Angeles—Security Savings Bank and Los Angeles Savings Bank; consolidated under former title.

Nevada City—Citizen's Bank; Walter D. Vinton, Asst. Cas. in place of Myers A. Preston.

COLORADO.

Canon City—First National Bank; E. M. Smith, Asst. Cas.

Denver—National Bank of Commerce; capital increased to $500,000; surplus, $250,000.

CONNECTICUT.

New Haven—New Haven Trust Co.; Dean B. Lyman, Sec. and Asst. Treas. in place of Amos F. Barnes. National Tradesmen's Bank; Howard W. Thompson, Cas., deceased.

Stamford—Stamford Savings Bank; Geo. H. Hoyt, Pres., deceased; also Vice-Pres. Stamford National Bank.

GEORGIA.

Dublin—Citizens' Bank; T. C. Pierce, Asst. Cas. in place of S. J. Flanders.

Waycross—First National Bank; A. Sessoms, Pres. in place of J. S. Bailey; G. W. Deen, Vice-Pres. in place of A. Sessoms.

ILLINOIS.

Brookport — Brookport National Bank; no Cas. in place of K. L. McCartney; Mrs. H. W. Holifield, Asst. Cas.

Chicago—Illinois Trust & Savings Bank; James S. Gibbs, Vice-Pres., deceased.

Galesburg—Bank of Galesburg; C. E. Johnson, Asst. Cas.

Golconda—First National Bank; E. P. Copland, Cas. in place of W. H. Whiteside.

Polo—Exchange National Bank; J. L. Moore, Vice-Pres. in place of W. H. Cunningham.

Sterling—Sterling National Bank; Samuel G. Crawford, Cas. in place of C. H. Tuttle, resigned.

INDIANA.

Spencer—Exchange Bank; Frederick H. Fowler, Asst. Cas., deceased.

INDIAN TERRITORY.

Muskogee — Commercial National Bank; G. W. Barnes, Pres. in place of D. H. Middleton; W. E. Rowsey, Vice-Pres. in place of G. W. Barnes.

Stigler—American National Bank; W. L. Stocker, Cas. in place of Jay F. Price.

IOWA.

Cumberland—First National Bank; Prosper Pettinger, Pres. in place of A. Dixon; W. A. Dowell, Vice-Pres. in place of Hugh Waddell; P. H. Pettinger, Asst. Cas.

Imogene—Citizens' Bank; W. H. McGargill no longer Cas.

Lyons—First National Bank; no Pres. in place of D. J. Batchelder, deceased.

Moulton—First National Bank; E. L. Stickney, Cas. in place of W. C. Stickney; no Asst. Cas. in place of E. L. Stickney.

KANSAS.

Madison—First National Bank; C. E. Brooks, Asst. Cas.

Salina—National Bank of America; no Vice-Pres. in place of A. M. Claflin, deceased.

Wellington — Wellington National Bank; E. B. Wimer, Cas., deceased.

KENTUCKY.

Augusta—Farmers' National Bank; F. A. Neider, Vice-Pres. in place of John I. Ward.

Cynthiana—Farmers' National Bank; W. A. Webber, Pres., deceased.

Hardyville — Hardyville Deposit Bank; G. P. Powell, Cas., deceased.

Nicholasville—First National Bank; N. L. Bronaugh, Pres. in place of Ben P. Campbell, deceased.

MARYLAND.

Baltimore—International Trust Co.; capital reduced to $1,500,000.—National Exchange Bank; Summerfield Baldwin, Pres. in place of W. T. Dixon, deceased.—Western National Bank; James Shriver, Vice-Pres. — Alexander Brown & Sons; W. Graham Bowdoin, deceased.

Denton—Denton National Bank; Thomas W. Jones, Pres., deceased.

MASSACHUSETTS.

Boston—Tower, Giddings & Co.; Wm. A. Tower, deceased.—People's Na-

tional Bank of Roxbury; title changed to People's National Bank of Roxbury at Boston.

Falls River—Fall River National Bank; John S. Brayton, Pres., deceased; also Pres. B. M. C. Durfee S. D. and Trust Co.

Gloucester — Gloucester National Bank; capital reduced to $200,000.

Lawrence—Broadway Savings Bank; Gilbert E. Hood, Treas., deceased.

MICHIGAN.

Flint—First National Bank; B. J. Macdonald, Cas. in place of C. S. Brown, deceased.

MINNESOTA.

Perham—First National Bank; S. J. Rasmussen, Pres. in place of C. W. Baumbach.

St. James—Citizens' National Bank; C. R. Manwaring, Pres. in place of T. K. Haugen.

Waterville—First National Bank; Frank L. Salter, Asst. Cas.

Wheaton—First National Bank; Edward Rustad, Cas. in place of Stephen Hopkins; L. K. Schwarz, Asst. Cas.

MISSISSIPPI.

Lumberton—First National Bank; H. A. Camp, Pres. in place of J. H. Hinton; W. W. Pigford, Vice-Pres. in place of H. A. Camp.

Vicksburg—Lincoln Savings Bank; T. G. Ewing, Cas., reported an embezzler.

MISSOURI.

Jasper—First National Bank; N. A. Mackey, Cas. in place of N. H. Patterson; no Asst. Cas. in place of J. A. Cozalt.

Sedalia—Third National Bank; D. H. Smith, Vice-Pres. in place of A. P. Morey.

St. Charles—St. Charles Savings Bank; Anton F. Mispagel, Cas., reported an embezzler.

NEBRASKA.

Osceola—First National Bank; no Asst. Cas. in place of J. F. Monson.

Spencer—First National Bank; no Vice-Pres. in place of Sanford Parker.

NEW HAMPSHIRE.

Manchester — Amoskeag National Bank; title changed to Amoskeag National Bank of Manchester.

NEW JERSEY.

Jersey City—New Jersey Title, Guar. and Trust Co.; Wm. H. Corbin, Pres. in place of James E. Hulshizer, resigned; E. F. C. Young, 1st Vice-Pres.

NEW YORK.

Brooklyn—South Brooklyn Savings Instn.; Wm. J. Coombs, Pres. in place of Alexander E. Orr, resigned.

Buffalo—Fidelity Trust Co.; Edward D. Wheeler, Secretary, deceased.

Caledonia—First National Bank; W. J. Williams, Vice-Pres. in place of John D. Coffey.

Cobleskill—Farmers' and Merchants' Bank; Oscar F. Nelson, Vice-Pres., deceased.

Dunkirk—Lake Shore National Bank; Geo. A. Starr, Asst. Cas. in place of W. E. Phelps; E. Madigan, 2d Asst. Cas.

Gloversville—Fulton County National Bank; capital increased to $200,000.

Lockport—S. Curt Lewis, Banker, deceased.

NORTH DAKOTA.

Pembina—Merchants' Bank; J. M. Chisholm, Pres., deceased.

OHIO.

Chillicothe—Savings Bank Co.; capital increased to $100,000.

Mantua—First National Bank; H. L. Hine, Pres. in place of Bina Coit.

Sandusky—Third National Exchange Bank; R. E. Schuck, Pres. in place of Lawrence Cable; C. F. Schoepfle, Vice-Pres. in place of R. E. Schuck.

OKLAHOMA.

Guthrie—Guthrie National Bank; N. Mellville Carter, Asst. Cas. in place of Harry Painter.

Hennessey — Hennessey National Bank; W. W. Parks, Pres. in place of D. A. Espy; J. W. Smith, Vice-Pres. in place of Chas. H. Moore; W. A. Rhides, Cas. in place of Geo. E. Gilmore; C. C. Smith, Asst. Cas.

PENNSYLVANIA.

Conshohocken—Tradesmen's National Bank; Geo. Corson, Pres. in place of Lewis Royer; John F. Bowker, Vice-Pres. in place of Geo. Corson.

Ellsworth—National Bank of Ellsworth; C. M. Fincke; Vice-Pres. in place of A. A. Augustus; A. H. Dittrick, Cas. in place of S. W. Rogers.

Herndon—First National Bank; Jno. D. Bogar, Pres. in place of H. D. Bower.

Philadelphia — Beneficial Savings Fund Society; Ralph F. Cullinan, Pres., deceased.

Pitcairn—First National Bank; H. C. Chamberlain, Cas. in place of Edwin H. Hill.

Pittsburg—Fort Pitt National Bank; W. P. Knight, Asst. Cas.

Reading—Keystone National Bank; John Barbey, Pres.

Turtle Creek—National Bank of Turtle Creek; T. W. Carroll, Cas. in place of H. E. Schenck.

Waynesboro—People's National Bank; Daniel Hoover, Pres., deceased.

Windber—Windber National Bank; W. A. Crist, Pres. in place of S. R. Shumaker; John R. Caldwell, Vice-Pres. in place of W. A. Crist.

RHODE ISLAND.

Wakefield—Wakefield Trust Co.; Benjamin F. Robinson, Pres., deceased.

SOUTH DAKOTA.

Alcester—Merchants' Bank; Ole Ofstad, Pres., deceased.

Beresford—Union Banking Co.; Ole Ofstad, Pres., deceased.

Salem—First National Bank; E. L. Abel, Vice-Pres. in place of C. J. Ives.

TENNESSEE.

Jackson—Jackson Banking Co.; F. B. Fisher, Pres. in place of J. W. N. Burkett; Geo. C. Wilkerson, Cas.

McKenzie—Bank of McKenzie; J. L. Thomason, Cas. in place of Morgan Green; Tern Scates, Asst. Cas. in place of Geo. McKenzie.

TEXAS.

Newbern—Farmers' and Merchants' Bank; H. C. Porter, Pres., deceased.

Alpine—First National Bank; H. L. Kokernot, Vice-Pres.

Corpus Christi—Corpus Christi National Bank; J. Hirsch, Asst. Cas. in place of A. Weil.

El Paso—Lowdon National Bank and National Exchange Bank; consolidated under title of American National Bank.

Gainesville—City Loan and Trust Co.; capital increased to $35,000.

Lufkin—Angelina County National Bank; H. W. Conger, Cas., in place of P. W. Everett, resigned.

Mineral Wells—First National Bank; W. J. Smith, Cas. in place of H. N. Frost.

Stephenville—First National Bank; Lee Riddle, Pres. in place of Geo. W. Riddle; H. H. Hardin, Vice-Pres. in place of Lee Riddle.

Van Alstyne—Farmers' National Bank; J. P. Barron, Vice-Pres. in place of E. G. Beall.

Wills Point—Van Zandt County National Bank; capital increased to $50,000; A. W. Meredith, Vice-Pres. in place of C. S. Rhodes; L. L. Henderson, Cas., in place of E. C. Lewis; no Asst. Cas. in place of L. W. Voiers.

VIRGINIA.

Richmond—National Bank of Virginia; W. M. Addison, Cas. in place of T. K. Sands.

WEST VIRGINIA.

Grafton—First National Bank; L. Mallonee, Pres. in place of T. E. Davis, deceased.

WISCONSIN.

Cuba City—First National Bank; no Vice-Pres. in place of Joseph Harris, deceased.

Delavan—Bank of E. Latimer & Co.; James F. Latimer, Vice-Pres., deceased.

Oconto—Oconto National Bank; no Pres. in place of Geo. Beyer.

WYOMING.

Cody—First National Bank; I. O. Middaugh, Cas., deceased.

CANADA.

ONTARIO.

Bowmanville—Ontario Bank; A. McClellan, Mgr. in place of G. McGill.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ARIZONA.

Yuma—Bank of Yuma.

ILLINOIS.

Makanda—N. J. Powers & Co.

IOWA.

Birmingham—E. H. Skinner & Co.

Carson—Bank of Carson.

KANSAS.

Fredonia—Fredonia National Bank; in voluntary liquidation Oct. 20; absorbed by Wilson County Bank.

MAINE.

Belfast—People's National Bank; in voluntary liquidation Oct. 31; succeeded by Waldo Trust Co.

NORTH CAROLINA.

Milton — Merchants' and Planters' Bank.

OHIO.

Wooster—Wooster National Bank; in hands of A. D. Lynch, Receiver.

PENNSYLVANIA.

Pittsburg—Fifth National Bank; in voluntary liquidation Nov. 1; absorbed by Fort Pitt National Bank.

TEXAS.

Conroe—First National Bank; in voluntary liquidation Nov. 1.

WASHINGTON.

Davenport—Big Bend National Bank.

WISCONSIN.

Berlin—Berlin National Bank; in hands of Receiver Nov. 17.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, December 1, 1904.

Higher prices for securities and dearer money are the summary of the conditions which have prevailed during the past month; at least these are the results of the conditions and the influences attending them. The Presidential election occurred on November 8, ending a campaign which was unique in the negligible quality of its disturbing influence upon business. There have been Presidential years when business was brought to a standstill, while the great majority of people gave their exclusive attention to politics. It was not so this year, and neither before nor after the election has business been affected, either unfavorably or otherwise.

In the security market the month of November has shown important movements. In the stock market, with few exceptions, everything has advanced to the highest prices recorded during the year, many stocks selling higher than in previous years. The upward movement, however, did not begin in November; it has been in full swing a number of months, with the result that there has been a most remarkable advance from the lower prices which prevailed early in the year. Comparing the highest prices reached in November with the lowest touched previously during the year, it is seen that a large number of stocks have advanced from twenty to fifty per cent. The following list of forty-five stocks shows advances in every case exceeding twenty per cent., and does not include all the stocks which have advanced as much as this:

Amal. Copper	35⅝	Den. & R. G. pref.	23	Norfolk & West	23
Am. Smelting	36	Erie	20⅛	North American	27
Am. Sugar	30¾	General Electric	43⅛	Pacific Mail	31
Anaconda Copper	59⅞	Great Northern pref.	55	Pennsylvania	27
Atchison	25¼	Hocking Valley	26⅛	Pressed Steel pref.	23⅛
Balt. & Ohio	25⅜	Illinois Central	27⅛	Reading	39
Brooklyn R. T.	32⅛	Iowa Central pref.	27¾	Rock Island pref.	27¼
Central New Jersey	40¼	Louisville & Nash	40¾	Southern Pacific	27¼
Ches. & Ohio	23¾	Manhattan	29¾	Tenn. Coal & Iron	45⅝
St. Paul	38⅝	Mo., K. & Tex. pref.	32⅝	Union Pacific	46
Northwest	40⅞	Missouri Pacific	22⅞	U. S. Rubber pref.	50¾
Colorado Fuel	27	Nash., Chat. & St. L.	44⅛	U. S. Steel	21⅝
Consol. Gas	35	Nat. Biscuit	23⅛	" " pref.	44
Del. & Hudson	40¾	N. Y. Central	24⅞	U. S. Realty	21⅛
Lackawanna	33⅛	N. Y., Ont. & West	28⅛	Westinghouse E. & M.	30

The wide range of stocks, which include industrial stocks as well as railroads represented in the foregoing list, testifies to the general character of the advance. A few stocks have acted as leaders, notably the United States Steel stocks last month, but the advance has been of a very comprehensive nature.

The stock market has been exceptionally active, averaging more than a million shares daily throughout the month. But neither the strength nor the activity has been confined to the stock market. One of the most extraor-

dinary movements ever witnessed in the bond market manifested itself last month. The average daily sales of bonds reached $10,000,000, while bond after bond advanced to the highest prices of the year. It is not usual for bonds to fluctuate very much, except under extraordinary circumstances, but a long list of bonds this year has advanced ten per cent. or more in the last few months. Below are forty-four bonds which have advanced at least ten per cent. from the prices which ruled earlier in the year:

Cen. of Georgia 1st pref. inc.	27¼
" 2d "	46⅝
" 3d "	47⅛
Chic., Rock I. & P. col. tr. 4s	16
" " 5s	23⅛
Chic. Terminal 4s	18⅝
Peoria & Eastern inc. 4s	13⅛
Colorado Midland 1st 4s	17
Detroit Southern 1st	23
Detroit, Ohio So. 1st	21
Fort Worth & R. G. 1st	15⅝
Mexican Central 4s	19
" 1st inc.	16⅛
" 2d "	18⅛
Mo., K. & T. of Tex. 1st	11
St. Louis, Iron Mountain 4s	12¼
Nor. & West. Poca. 4s	10
C. B. & Q. Nor. Pac. Gt. N. 4s	11
St. Louis & San Fran. ref. 4s	11
Kan. City, Ft. S. & M. ref. 4s	11
St. L. & Southwestern 2d 4s	15⅛
" " con. 4s	17⅛
Seaboard Air Line 4s	20¼
Georgia & Alabama 1st 5s	10⅛
Texas & Pacific 2d inc.	18
Union Pac. conv. 4s	22
Oregon Short Line 4s	13¾
Wabash deb. series B	14¼
Brooklyn R. T. 4s	12⅞
Brooklyn Union El. 1st	11
United Rys. of S. F. 4s	10⅛
Am. Hide & Leather 1st 6s	25⅛
Am. Spirits Mfg. 1st 6s	14
Consol. Tobacco 4s	29⅛
Distillers' Securities 1st	16
Lackawanna Steel 1st	12⅛
Nat. Starch S. F. 5s	11
Standard Rope & T. 1st 6s	17
U. S. Realty 5s	16
U. S. Red. & Ref. 6s	10
U. S. Steel 2d 5s	27⅛
Colorado Fuel deb. 5s	22
Tenn. C. I. Birm. Div. 6s	11⅝
Virginia Iron C. & C. 5s	16

Unless a reaction occurs in the last month of the present year, the values of securities will be much higher than they were at the close of 1903. As to the future, it is neither wise nor safe to predict. There is, however, a very confident sentiment prevailing in financial circles, while in almost all lines of business, excluding the Fall River milling industry, which is still in idleness now covering a period of about four months, there are very satisfactory conditions.

The most hopeful index of prosperity is now to be found in the iron trade, an industry which a year ago was causing the gravest concern. From August 1 to November 1 the weekly capacity of the iron furnaces in blast increased from 246,092 tons to 334,249 tons, a gain of 88,157 tons. Between the same dates in 1903 the production of pig iron declined from 353,681 tons to 273,715 tons, a loss of 79,966 tons. As regards production, consumption and prices the iron and steel trade is in a very much more satisfactory position than in a long time past.

It is quite probable that the recent movements in securities have not been solely in response to the favorable business situation. Undoubtedly there has been support given to the market by interests which backed the big movement of a few years ago and which probably have some "undigested" securities yet to dispose of, but there is evidence on every hand that there is considerable capital seeking investment.

There were some very important financial transactions last month. Messrs. Kuhn, Loeb & Co. purchased $15,000,000 Pennsylvania Company forty-year 3½ per cent. trust certificates; Redmond & Co. purchased $6,000,000 Pere Marquette refunding mortgage fifty-year four per cent. bonds, and Lee,

Higginson & Co., of Boston, bought $10,800,000 car trust bonds of the Pennsylvania Railroad Company.

The fact that the railroads are thus able to dispose of new bond issues is evidence of a change from the situation of a year ago. Nevertheless there is some reasonable apprehension regarding the future disposition of the notes which some of the railroads have outstanding and which will fall due early in the coming year. As bearing on this question we reproduce here a table published recently in the "New York Evening Post," showing the cash holdings of a number of railway companies on June 30, 1904, as compared with the same date in 1903 and 1902:

	1904.	*1903.*	*1902.*
Canadian Pacific	$11,741,703	$12,172,612	$15,227,691
N. Y., O. & W.	257,318	317,254	530,110
Atl. Coast Line	3,431,886	1,897,663	....
Rock Island	9,067,262	14,677,542	....
Lehigh Valley	4,671,218	2,083,454	2,403,901
N. H. & Hartford	4,094,557	7,048,483	3,233,395
St. Paul	5,840,328	8,600,598	15,550,562
Northwestern	7,382,115	8,411,108	4,847,559
Union Pacific	8,524,258	1,908,559	4,886,333
Erie	3,189,694	7,181,188	4,617,272
South. Ry	8,826,614	2,994,818	3,291,876
Atchison	6,382,996	10,960,787	20,844,405
N. Y. Central	4,832,405	9,382,557	14,736,768
St. L. Southwestern	389,967	716,430	5,881,437
Louisville	4,765,716	1,911,724	8,248,469
Great Northern	3,687,226	5,036,084	4,019,883
Burlington	6,505,025	4,762,400	8,111,097
Illinois Central	1,396,325	1,858,990	1,243,231

The sale of $25,000,000 of 3½ per cent. bonds by the City of New York last month brought out the fact that there is a large amount of money seeking investment at a low rate of interest. The bids aggregated $208,000,000, while the allotment was made on the basis of an average net income of only 3.40 per cent., the average price paid being 102.41. This is the best price received by the City in a year and a half. In 1901 the City sold bonds which showed a net return to the investor of only 2.93 to 3.36 per cent.

The new $60,000,000 six per cent. loan of the Japanese Government was placed last month, one-half in London and one-half in New York. These bonds were placed at 90½ as against 93½ for the $50,000,000 six per cents issued last May. The taking of $30,000,000 of these bonds here has caused some discussion as to the effect upon our local money market, which has been hardening rapidly.

The month has witnessed not only a sharp advance in money rates, but also a very large reduction in loans of the clearing-house banks. It might seem strange that the loans should have been contracted $40,000,000 in four weeks, at a time when the transactions in securities at the New York Stock Exchange were almost the largest ever known; but the explanation is to be found in the operations of the trust companies which are not recorded in the clearing-house statements. With call money ruling at four per cent., it was very natural for the trust companies to withdraw their deposits from the clearing-house banks and loan them to buyers of stocks. While therefore there is little doubt that loans on Stock Exchange collateral have been substantially increased recently, it is easily understood why the clearing-house banks should lose in four weeks $60,000,000 deposits and contract their loans $40,000,000.

Connected with the advanced rates of interest and influencing the movement were heavy exports of gold last month. Some $15,000,000 of gold went to Europe and $10,000,000 to Cuba. It is a very unusual thing for gold to be exported in November. Only once before since 1895 did we export gold in November—in 1901—when the net exports amounted to nearly $9,000,000. In 1895 we exported nearly $13,500,000 of gold, but in every other year in the last fifteen years we gained some gold by importation in November.

The gold export movement can not be traced to the general foreign trade situation. In October, the latest period for which figures have been published, the exports of merchandise exceeded the imports by more than $70,000,000—the largest balance for October in any year excepting 1900 and 1903. For the ten months of the year the net exports exceed $304,000,000. The export trade indeed makes a very favorable showing, and this in spite of the very serious falling off in exports of wheat and flour. Compared with October a year ago, the agricultural exports this year show a decrease of $10,000,000, while the non-agricultural exports increased $12,000,000. The exports of wheat in October this year amounted to only 1,219,471 bushels, the smallest in more than ten years. In October, 1902, they were $16,774,773. For the ten months ended October 31 the exports of wheat were 10,982,193 bushels, against 62,500,000 bushels in 1903, 112,000,000 bushels in 1902 and 154,000,000 bushels in 1901. The exports of flour have also fallen off, the total this year being less than 10,000,000 barrels as compared with 15,000,000 barrels in 1903.

The wheat crop in the United States this year is short, being estimated at 551,000,000 bushels, and it is probable that our exports of wheat during the coming year will be small. The final estimate of the corn crop indicates a yield of 2,453,000,000 bushels, which compares with 2,244,176,625 bushels in 1903 and 2,523,648,312 bushels in 1902, the year of the largest yield.

Some estimates of the current cotton crop make the probable yield more than 11,000,000 bales, or close to the highest record ever made.

On November 18 the Secretary of the Treasury announced that he would issue a call upon the depositary National banks for twenty-five per cent. of the United States deposits held by them. Ten per cent. will have to be paid by the banks on or before January 15 next and the remaining fifteen per cent. by March 15. There is about $104,000,000 of public deposits in the banks, and the banks will probably pay over to the Treasury about $25,000,000. The withdrawal of this money from the banks may have some effect upon the money market, but will hardly cause a stringency, it is believed. Just about a year ago the National banks held $168,000,000 of public deposits, and they have since been reduced more than $60,000,000.

THE MONEY MARKET.—Rates for money advanced during the month and in anticipation of December 1 disbursements were highest at the end of the month. Call money was quoted at 4 per cent. and was affected by the gold exports and also the reduction in the surplus of the New York banks. At the close of the month call money ruled at 3¼ @ 4 per cent., averaging about 3½ per cent. Banks and trust companies loaned at 3½ @ 4 per cent. Time money on Stock Exchange collateral is quoted at 4 per cent. for 60 to 90 days, and 4 per cent. for 4 to 6 months, on good mixed collateral. For commercial paper the rates are 4 @ 4½ per cent. for 60 to 90 days' endorsed bills receivable, 4¼ @ 4¾ per cent. for first-class 4 to 6 months' single names, and 5 @ 5½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	July 1.	*Aug. 1.*	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	1⅛–1¼	¾–1	⅞–1	1¾–2½	2 –2½	3½–4
Call loans, banks and trust companies	1¼–	1 –	1 –	1¾–2½	2 –2½	3½–4
Brokers' loans on collateral, 30 to 60 days	2 –	2 –	2 –	3 –	3 –	4 –
Brokers' loans on collateral, 90 days to 4 months	2¼– ¾	2½–3	2½–3	3¼– ½	3¼– ½	4 –
Brokers' loans on collateral, 5 to 7 months	3 – ½	3 – ¾	3½–	3½– ¾	3¾–4	4 –
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–	3½– ¾	3½– ¾	4½–	4 –4½	4 –4½
Commercial paper prime single names, 4 to 6 months	3¾–4	3¾–4¼	3¾–4	4½–5	4 –4½	4¼–4¾
Commercial paper, good single names, 4 to 6 months	4½–5	4½–5	4½–5	5½–6	5½–6	5 –5½

NEW YORK CITY BANKS.—Were the statements of the New York Clearing-House banks fairly representative of the entire banking situation in New York it would be possible to draw more accurate conclusions from the changes shown than it is possible under the circumstances. In the five weeks from October 29 to December 3 the New York banks appear to have lost $76,000,000 deposits and $27,000,000 cash reserves. The loans were reduced nearly $52,000,000, although from the activity and strength of the stock market in the past month it is reasonable to believe that the loans of banking institutions in New York are larger than they were a month ago. Trust companies, whose transactions are not included in the clearing-house statements, are a very important factor in the loan market. The bank surplus is down to about $8,500,000, which is $1,200,000 larger than a year ago, but $50,000,000 less than it was last summer.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Nov. 5...	$1,139,879,500	$231,299,800	$77,850,700	$1,196,152,400	$10,112,400	$42,585,500	$1,968,740,300
" 12...	1,125,089,900	226,558,700	76,347,100	1,176,045,000	8,894,550	42,313,900	1,614,801,700
" 19...	1,112,710,700	223,918,400	75,640,700	1,159,877,600	9,589,700	42,188,500	2,184,204,700
" 26...	1,102,420,900	217,957,800	76,476,700	1,144,212,500	8,881,875	42,126,500	1,786,061,800
Dec. 3...	1,090,602,900	212,561,100	77,947,500	1,127,878,100	8,539,075	42,126,500	2,299,046,000

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1902.*		*1903.*		*1904.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$910,860,800	$7,515,575	$878,115,000	$10,198,850	$866,178,900	$9,541,850
February	975,997,000	26,623,850	931,778,900	27,880,775	1,023,943,800	25,139,050
March	1,017,488,800	9,975,925	956,206,400	5,951,900	1,027,920,400	22,150,200
April	965,353,300	6,965,575	894,260,000	6,280,900	1,069,369,400	27,755,050
May	968,189,600	7,484,000	905,760,200	11,181,850	1,114,367,800	33,144,250
June	948,826,400	11,929,000	913,081,800	9,645,150	1,098,958,500	29,692,325
July	955,829,400	12,978,350	903,719,800	12,923,850	1,152,988,800	36,105,300
August	957,145,500	13,738,125	908,864,500	24,060,075	1,204,965,600	55,969,600
September	935,996,500	9,742,775	920,123,900	20,677,925	1,207,302,800	57,375,400
October	876,519,100	3,236,625	897,214,400	13,937,500	1,212,977,100	19,913,425
November	893,791,200	21,339,100	885,616,600	10,274,150	1,204,434,200	16,793,650
December	883,836,800	15,786,300	841,552,000	6,125,200	1,127,878,100	8,539,075

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,145,-969,200 on October 8, 1904, and the surplus reserve $111,623,000 on Feb. 3, 1894.

Non-Member Banks—New York Clearing-House.

Dates.	Loans and Investments.	Deposits.	Specie.	Legal tender and bank notes.	Deposit with Clearing-House agents.	Deposit in other N. Y. banks.	Surplus Reserve.
Oct. 29....	$100,168,400	$114,237,000	$4,581,400	$5,891,200	$18,106,000	$8,015,000	$3,065,150
Nov. 5....	100,535,300	115,694,000	4,475,800	5,680,700	14,188,100	7,863,000	3,284,100
" 12....	101,181,200	115,654,800	4,446,810	6,069,200	13,719,900	7,466,900	2,788,600
" 19....	100,918,800	116,063,500	4,541,200	6,050,500	13,574,900	7,760,700	2,906,425
" 26....	101,602,400	116,302,700	4,565,400	6,115,700	12,696,800	8,465,000	2,767,225

Boston Banks.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
Oct. 29.......	$183,907,000	$224,262,000	$17,889,000	$5,921,000	$7,390,000	$135,682,300
Nov. 5.......	188,050,000	230,402,000	17,426,000	5,798,000	7,420,000	171,720,400
" 12.......	189,018,000	224,870,000	17,196,000	6,062,000	7,411,000	186,586,000
" 19.......	187,119,000	228,342,000	17,166,000	6,277,000	7,403,000	163,686,700
" 26.......	186,628,000	224,124,000	17,170,000	6,301,000	7,418,000	128,882,100

Philadelphia Banks.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
Oct. 29..................	$211,769,000	$260,419,000	$70,261,000	$11,688,000	$120,961,800
Nov. 5..................	214,214,000	261,395,000	69,581,000	11,740,000	138,440,000
" 12..................	215,929,000	262,874,000	66,747,000	11,730,000	114,697,500
" 19..................	215,558,000	264,194,000	67,861,000	11,674,000	132,126,900
" 26..................	215,835,000	261,744,000	68,070,000	11,962,000	116,408,300

Foreign Exchange.—After being weak for a few days, the market for sterling began to advance and was strong until about the last week of the month. Nearly $12,000,000 of gold was exported to Europe and $10,500,000 to Cuba. A sharp advance in rates for money in our local market caused a decline in sterling late in the month.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Nov. 5...........	4.8375 @ 4.8380	4.8640 @ 4.8645	4.8680 @ 4.8685	4.83¼ @ 4.83⅜	4.82¾ @ 4.84
" 12...........	4.8385 @ 4.8395	4.8670 @ 4.8675	4.8705 @ 4.8715	4.83⅜ @ 4.83¾	4.82¾ @ 4.84⅜
" 19...........	4.8410 @ 4.8420	4.8695 @ 4.8700	4.8730 @ 4.8740	4.83⅞ @ 4.84	4.83⅛ @ 4.84⅝
" 26...........	4.8410 @ 4.8420	4.8685 @ 4.8695	4.8725 @ 4.8735	4.83¾ @ 4.83⅞	4.83 @ 4.84½
Dec. 3...........	4.8370 @ 4.8375	4.8645 @ 4.8655	4.8680 @ 4.8690	4.83⅜ @ 4.83½	4.82¾ @ 4.82⅞

Foreign Exchange—Actual Rates on or about the First of Each Month.

	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec 1.
Sterling Bankers—60 days	4.85 — ⅛	4.84¾— 85	4.83⅜— ½	4.84 — ⅛	4.83⅝— ¾
" " Sight	4.87¾—	4.87½— ⅝	4.85½—	4.86⅝— ¾	4.86½—⅝
" " Cables	4.88⅛— ¼	4.88 — ⅛	4.85⅞—86	4.87 — ⅛	4.86⅞—87
" Commercial long	4.84¾— ⅞	4.84¼— ¾	4.83⅛— ¼	4.83¼— ¾	4.83¼— ½
" Docu'tary for paym't.	4.84⅛— 5⅜	4.84 — 5½	4.82⅜— 3¼	4.83⅜— 4½	4.83 — 4¼
Paris—Cable transfers	5.16⅞— ¼	5.16⅞—	5.17½—	5.15⅝— 3/32	5.16¼—
" Bankers' 60 days.........	5.18¾— ⅛	5.18¾—	5.20 —19⅜	5.18⅛—	5.18¾—
" Bankers' sight...........	5.17½—16⅞	5.17½—	5.18⅛—	5.15⅝—	5.16⅞—
Swiss—Bankers' sight...........	5.16⅞—	5.17½—16⅞	5.18⅛—	5.16¼—	5.17½—
Berlin—Bankers' 60 days........	95 1/16	94⅞— 15/16	94⅝— ¾	94 15/16—95	94⅞— 15/16
" Bankers' sight..........	95⅜—	95 5/16— ⅜	95 3/16— ¼	95⅝—	95 7/16— ½
Belgium—Bankers' sight........	5.16⅞—	5.17½—16⅞	5.18⅜— ⅛	5.16⅞—	5.17½—
Amsterdam—Bankers' sight....	40 5/16— ⅜	40¼— 5/16	40 3/16— ¼	40⅜—	40⅜—
Kronors—Bankers' sight	26.84—26.86	26.84—26.86	26.77 —26.79	26.88—26.90	26.83—26.85
Italian lire—sight................	5.16⅞—	5.17½—16⅞	5.18⅛—17½	5.16⅞— ¼	5.16¼—15⅝

FOREIGN BANKS.—There was a scramble for gold last month, Berlin drawing upon London and Paris upon New York. The Bank of England lost during the month $20,000,000 of gold, while France gained $12,000,000, Germany $21,000,000 and Russia $16,000,000. France has $55,000,000 more gold than was held a year ago, while Russia has gained in the twelve months nearly $100,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	October 1, 1904.		November 1, 1904.		December 1, 1904.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£38,921,363	....	£36,620,226	....	£32,550,219	....
France	105,752,783	£44,384,170	104,354,104	£44,000,521	106,815,629	£44,194,558
Germany	33,918,000	11,915,000	32,749,000	11,506,000	37,068,000	18,022,000
Russia	95,825,000	8,112,000	97,746,000	7,282,000	100,979,000	6,791,000
Austria-Hungary	48,757,000	12,815,000	48,237,000	12,062,000	48,877,000	12,110,000
Spain	14,794,000	20,463,000	14,827,000	20,084,000	14,870,000	19,977,000
Italy	21,998,000	3,330,800	22,042,000	3,424,800	22,112,000	3,170,400
Netherlands	5,480,300	6,250,100	5,520,800	6,052,700	5,529,000	6,123,700
Nat. Belgium	3,273,333	1,636,667	3,298,667	1,649,333	3,229,333	1,614,667
Totals	£368,714,779	£108,406,237	£365,394,797	£105,960,854	£372,025,181	£107,003,325

MONEY RATES ABROAD.—There was no change in the posted rates of discount of the leading European banks last month, while open market rates are slightly higher in London and lower in Paris and Berlin than they were a month ago. Discounts of 60 to 90 day bills in London at the close of the month were 3 per cent., against 2 7/8 @ 3 per cent. a month ago. The open market rate at Paris was 2 1/4 per cent., against 2 5/8 per cent. a month ago, and at Berlin and Frankfort 3 7/8 @ 4 per cent., against 4 1/8 @ 4 1/4 per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Sept. 1, 1904.	Oct. 1, 1904.	Oct. 12, 1904.	Nov. 16, 1904.
Circulation (exc. b'k post bills)	£28,703,000	£28,403,000	£28,403,200	£27,686,270
Public deposits	6,245,000	8,404,000	5,029,600	7,173,714
Other deposits	43,455,000	41,887,000	44,240,200	39,439,155
Government securities	14,234,000	14,227,000	16,298,100	15,610,005
Other securities	17,318,000	25,459,000	23,645,000	24,706,825
Reserve of notes and coin	24,556,000	28,969,000	27,098,300	24,185,954
Coin and bullion	34,500,000	38,921,428	37,051,500	33,402,224
Reserve to liabilities	53 1/4%	57 1/2%	54 7/8%	51 3/4%
Bank rate of discount	3%	3%	3%	3%
Price of Consols (2 3/4 per cents.)	88 3/4	88 1/16	88 3/16	88 3/16
Price of silver per ounce	26 1/4d.	26 11/16d.	26 3/16d.	26 13/16d.

SILVER.—The price of silver in London, after declining to 26 3/4d. on November 4, became stronger and in the latter part of the month advanced rapidly to 27 5-16d., the final price for the month. The net gain for the month is 5/8d.

MONTHLY RANGE OF SILVER IN LONDON—1902, 1903, 1904.

MONTH.	1902.		1903.		1904.		MONTH.	1902.		1903.		1904.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January	26 1/16	25 5/8	22 5/8	21 11/16	27 5/16	25 1/8	July	24 3/16	24 3/16	25 5/8	24 1/4	27	26 3/8
February	25 3/8	25 5/16	22 5/16	21 7/8	27 1/8	25 5/8	August	24 7/16	24 1/8	26 3/4	25 5/16	27	26 5/16
March	25 7/16	24 13/16	22 13/16	22 1/8	26 13/16	25 1/8	Septemb'r	24 1/8	23 9/16	26 7/16	26 5/16	26 7/8	26
April	24 7/8	23 5/16	25 3/16	22 3/8	25 1/2	24 7/16	October	23 13/16	23 1/4	28 1/2	27 7/16	26 15/16	26 1/2
May	24 1/8	23 9/16	25 1/4	24 5/16	25 13/16	25 1/8	Novemb'r	23 1/4	21 3/4	27 5/8	26 1/4	27 5/16	26 3/4
June	24 7/16	23 13/16	24 3/16	24 1/8	26 1/8	25 5/16	Decemb'r	22 1/8	21 13/16	26 1/8	25	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.55	$15.65
Bank of England notes	4.85	4.88	Mexican 20 pesos	19.55	19.65
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.74	4.77	Mexican dollars	.47⅛	.48⅛
Twenty-five pesetas	4.78	4.82	Peruvian soles	.42⅛	.45⅛
Spanish doubloons	15.55	15.65	Chilian pesos	.42⅛	.45⅛

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 27⅝d. per ounce. New York market for large commercial silver bars, 59¼ @ 60⅜c. Fine silver (Government assay), 59⅝ @ 60⅞c. The official price was 59⅛c.

GOLD AND SILVER COINAGE.—The mints coined $528,780 gold, $878,871.45 silver and $197,160 minor coin in November, a total of $1,604,811.45. There were also coined 690,000 pieces for Panama and 3,622,000 for the Philippines.

COINAGE OF THE UNITED STATES.

	1902.		*1903.*		*1904.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
January	$7,660,000	$2,908,687	$7,635,178	$1,707,000	$2,765,000	$4,657,000
February	6,643,850	2,489,060	7,488,510	1,521,000	35,603,500	1,475,000
March	1,558	2,965,577	6,879,920	1,595,987	63,605,790	1,491,509
April	3,480,815	3,388,278	187,400	1,809,000	26,177,600	1,158,000
May	426,000	1,873,000	69,000	1,584,000	44,109,000	880,000
June	500,845	2,464,358	610	3,840,222	14,884,400	342,143
July	2,120,000	2,254,000	....	387,327	....	455,519
August	8,040,000	2,236,000	450,000	452,000	1,385,000	1,591,000
September	3,560,860	2,831,165	445,692	1,807,469	14,585,705	1,452,082
October	1,890,000	2,287,000	1,540,000	2,824,000	29,706,375	848,000
November	2,675,000	2,399,000	8,794,600	1,401,000	528,780	878,871
December	6,277,925	1,982,216	10,043,060	1,567,485	....	....
Year	$47,109,852	$29,928,167	$43,683,970	$19,874,440	$233,351,150	$14,824,124

GOVERNMENT REVENUES AND DISBURSEMENTS.—The revenues of the Government in November were $4,000,000 less than the expenditures, as compared with a deficit of $2,700,000 in November, 1903. The receipts this year were $900,000 more than last year, but the expenses were $2,200,000 larger. For the five months July 1 to November 30 there is a deficit of nearly $26,000,000, while last year the deficit was only $2,000,000. The difference is almost entirely due to an increase in expenses, as the revenues have decreased only about $2,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*November, 1904.*	*Since July 1, 1904.*
Customs	$21,740,957	$110,278,693
Internal revenue	20,474,179	100,521,025
Miscellaneous	3,361,741	21,802,229
Total	$45,576,877	$232,601,947
Excess expenditures.	4,120,670	25,929,800

EXPENDITURES.

Source.	*November, 1904.*	*Since July 1, 1904.*
Civil and mis	$12,673,778	$66,107,525
War	9,948,197	62,949,260
Navy	10,304,188	51,330,661
Indians	1,220,923	5,469,879
Pensions	13,822,401	60,944,405
Interest	1,733,110	11,730,017
Total	$49,697,547	$258,531,747

UNITED STATES PUBLIC DEBT.—The net cash balance in the Treasury was reduced $3,000,000 last month and the debt less cash in the Treasury was increased nearly $2,500,000. Until the revenues of the Government show a surplus again, no decrease in the public debt is possible. The net debt now stands at $989,000,000 of which $895,000,000 is bonded debt and the remaining $104,000,000 is excess of various obligations over cash held in the Treasury. The aggregate debt is $2,302,000,000, but this does not include nearly $94,000,000 for disbursing officers' balances, National bank 5 per cent. re-

demption fund, outstanding checks, warrants, etc. The total assets in the Treasury amount to $1,406,000,000, against which are liabilities of $1,113,-000,000.

United States Public Debt.

	Sept. 1, 1904.	*Oct. 1, 1904.*	*Nov. 1, 1904.*	*Dec. 1, 1904.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,650	156,593,650	156,593,950	156,593,650
Refunding certificates, 4 per cent......	28,770	28,770	28,610	28,610
Loan of 1925, 4 per cent................	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt...........	$895,157,630	$895,157,630	$895,157,770	$895,157,470
Debt on which interest has ceased... ...	1,841,270	1,662,220	1,627,700	1,495,400
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,863
National bank note redemption acct..	34,765,732	33,373,135	32,750,866	32,329,377
Fractional currency....................	6,869,250	6,869,250	6,869,250	6,868,465
Total non-interest bearing debt......	$388,369,845	$386,977,248	$386,354,979	$385,932,705
Total interest and non-interest debt.	1,285,368,746	1,283,797,099	1,283,140,449	1,282,585,575
Certificates and notes offset by cash in the Treasury:				
Gold certificates........................	527,336,969	528,491,969	531,479,969	530,780,969
Silver "	468,329,000	474,322,000	478,464,000	477,320,000
Treasury notes of 1890	12,225,000	11,966,000	11,618,000	11,331,000
Total certificates and notes...........	$1,007,890,969	$1,014,779,969	$1,021,556,969	$1,019,431,969
Aggregate debt	2,293,259,715	2,298,577,068	2,304,697,418	2,302,017,544
Cash in the Treasury:				
Total cash assets	1,400,956,603	1,408,910,984	1,409,935,390	1,406,519,931
Demand liabilities........................	1,102,981,239	1,107,496,821	1,113,582,593	1,113,175,273
Balance	$297,975,364	$301,414,162	$296,352,797	$293,344,658
Gold reserve............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance.........................	147,975,364	151,414,162	146,352,797	143,344,658
Total	$297,975,364	$301,414,162	$296,342,797	$293,344,658
Total debt, less cash in the Treasury.....	987,393,382	982,382,937	986,787 652	989,240,917

United States Foreign Trade.—October is the second month of the exporting season and this year it fell less than $1,000,000 short of making a new record for that month. The total exports were valued at $162,570,393, which compares with $160,388,508 in October, 1903, and with $163,389,680 in 1900. The imports were valued at $92,394,427, which is a high record for October. The imports this year are nearly $10,500,000 more than in October last year. The large amount of imports makes the excess of exports this year smaller than for last year, the balance being $70,000,000, against $78,000,000 in 1903 and $92,000,000 in 1900. For the ten months of the current calendar

Exports and Imports of the United States.

Month of October.	Merchandise.				Gold Balance.		Silver Balance.	
	Exports.	*Imports.*	*Balance.*					
1899..................	$125,966,527	$72,232,238	Exp.,	$53,734,289	Imp.,	$8,162,502	Exp.,	$2,361,531
1900..................	163,389,680	70,631,034	"	92,758,646	"	10,289,413	"	3,071,550
1901..................	145,659,415	81,446,763	"	64,212,652	"	5,071,891	"	1,667,173
1902..................	144,327,428	87,424,070	"	56,903,358	"	9,657,617	"	1,583,830
1903..................	160,388,508	81,921,147	"	78,467,361	"	4,673,859	"	405,334
1904..................	162,570,393	92,394,427	"	70,175,966	"	4,149,574	"	1,923,935
Ten Months.								
1899..................	1,028,444,027	658,134,636	Exp.,	370,309,391	Imp.,	9,553,085	Exp.,	18,375,867
1900..................	1,195,353,918	695,098,467	"	500,255,451	Exp.,	2,326,398	"	20,303,011
1901..................	1,191,978,682	727,924,332	"	464,054,350	Imp.,	7,791,364	"	20,663,958
1902..................	1,087,492,912	789,573,713	"	297,919,199	"	3,567,790	"	18,460,525
1903..................	1,149,664,979	840,719,383	"	308,945,596	Exp.,	5,222,320	"	8,687,500
1904..................	1,148,035,527	843,775,479	"	304,260,048	"	10,195,664	"	21,376,624

year both exports and imports are very nearly the same as in 1903 and the net exports this year are $304,000,000, against nearly $309,000,000 last year. An increase of nearly $5,000,000 in gold exports just about offsets the decrease in net exports of merchandise, while there is an increase of more than $12,000,000 in exports of silver.

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation was reduced nearly $10,000,000 last month and the circulation per capita fell from $31.38 to $31.22. There was a decrease of $20,000,000 in gold certificates, but an increase of nearly $6,000,000 in gold coin. An incrcease of $1,100,000 in silver dollars was offset by a decrease of a similar amount in silver certificates.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1904.	*Oct. 1, 1904.*	*Nov. 1, 1904.*	*Dec. 1, 1904.*
Gold coin	$627,970,533	$641,844,863	$641,793,093	$647,500,549
Silver dollars	81,573,223	76,000,250	79,443,123	80,522,882
Subsidiary silver	97,631,352	98,840,017	100,408,128	101,886,384
Gold certificates	421,080,019	486,512,139	490,193,759	470,102,469
Silver certificates	465,836,220	468,139,876	472,713,832	471,584,444
Treasury notes, Act July 14, 1890	15,828,853	11,860,099	11,551,887	11,268,930
United States notes	343,272,438	336,924,758	342,182,421	342,623,637
National bank notes	413,153,189	442,027,487	445,240,418	448,881,072
Total	$2,466,345,897	$2,562,149,489	$2,583,476,661	$2,573,888,367
Population of United States	81,177,000	82,214,000	82,329,000	82,445,000
Circulation per capita	$30.38	$31.16	$31.38	$31.22

MONEY IN THE UNITED STATES TREASURY.—The United States Treasury gained in net cash about $1,500,000 in November, although the gross holdings decreased nearly $20,000,000. Certificates and Treasury notes outstanding were reduced $21,500,000.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1904.	*Oct. 1, 1904.*	*Nov. 1, 1904.*	*Dec. 1, 1904.*
Gold coin and bullion	$686,651,991	$709,611,105	$721,258,988	$703,915,084
Silver dollars	477,594,756	491,795,339	488,352,466	487,272,707
Silver bullion	11,579,510	3,021,439	2,494,572	1,970,303
Subsidiary silver	8,306,927	11,460,297	10,585,044	9,808,023
United States notes	3,408,578	9,756,258	4,548,595	4,057,379
National bank notes	12,009,829	14,051,921	12,041,082	12,298,003
Total	$1,199,551,591	$1,239,696,359	$1,239,275,747	$1,219,321,499
Certificates and Treasury notes, 1890, outstanding	902,745,162	966,512,114	974,459,478	952,973,843
Net cash in Treasury	$296,806,429	$273,184,245	$264,816,269	$266,347,656

SUPPLY OF MONEY IN THE UNITED STATES.—For the first time in a long while the total stock of money shows a decrease, the loss in November being $8,000,000. Gold exports are responsible for this showing, the decrease being entirely in gold and amounting to nearly $11,600,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1904.	*Oct. 1, 1904.*	*Nov. 1, 1904.*	*Dec. 1, 1904.*
Gold coin and bullion	$1,314,622,524	$1,351,455,968	$1,363,047,081	$1,351,415,633
Silver dollars	559,167,979	567,795,589	567,795,589	567,795,589
Silver bullion	11,579,510	3,021,439	2,494,572	1,970,303
Subsidiary silver	105,938,279	110,300,314	110,993,172	111,694,407
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	425,163,018	456,079,408	457,281,500	460,679,075
Total	$2,763,152,326	$2,835,333,784	$2,848,292,930	$2,840,236,023

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of November, and the highest and lowest during the year 1904, by dates, and also, for comparison, the range of prices in 1903 :

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		NOVEMBER, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89⅝	54	89¼ Nov. 26	64 —Feb. 24	89¼	84⅝	87⅜
" preferred	103⅛	84¾	104⅛—Nov. 25	87⅝—Jan. 6	104⅛	101	103⅛
Baltimore & Ohio	104	71⅝	98¼—Nov. 12	72⅞—Mar. 14	98¼	92¼	97⅜
Baltimore & Ohio, pref	96¾	82¾	96½—Oct. 19	87⅝—Feb. 19	95½	94	94⅞
Brooklyn Rapid Transit	71⅛	29½	70½—Nov. 15	38 —Feb. 24	70½	63⅝	67¾
Canadian Pacific	138¾	115⅝	135¾—Oct. 25	109⅛—Mar. 12	135⅝	126⅛	134
Canada Southern	78⅛	57⅛	72 —Nov. 16	64 —Apr. 29	72	67¼	71⅜
Central of New Jersey	190	153	194¾—Nov. 11	154½—Feb. 20	194¾	181	191
Ches. & Ohio	58⅝	27¼	51 —Nov. 18	28¼—Mar. 14	51	43½	50¼
Chicago & Alton	37¼	18⅛	47¼—Nov. 18	33 —Jan. 2	47¼	37¾	43¾
" preferred	75½	60	85¼—Jan. 21	75 —Jan. 6	85	83	83
Chicago, Great Western	29⅝	13	26¼—Nov. 28	12⅞—June 8	26¼	22⅞	25⅛
Chic., Milwaukee & St. Paul	183¼	133¼	176½—Nov. 30	137⅛—Feb. 24	176½	167⅝	176
" preferred	194¼	168	185⅞—Oct. 25	178 —Mar. 4	184	182	183½
Chicago & Northwestern	224½	153	211¾—Nov. 30	161⅛—Mar. 14	211¾	194	210
" preferred	250	190	237 —Nov. 30	207 —Feb. 8	237	230	237
Chicago Terminal Transfer	19⅞	8	16¼—Nov. 22	5¼—Aug. 31	16¼	10¼	14¾
" preferred	36	15	27¾—Nov. 22	11⅛—Aug. 31	27¾	20⅜	26⅛
Clev., Cin., Chic. & St. Louis	99⅝	66	89⅞—Nov. 12	68½—May 18	89⅞	85	89⅜
Col. Fuel & Iron Co	82½	24	58⅝—Nov. 28	25¼—Mar. 12	58⅝	40¼	56⅝
Colorado Southern	31⅝	10	24⅝ Nov. 15	13½—June 1	24⅝	21⅝	22⅞
" 1st preferred	72	44⅛	60¼—Nov. 15	48 —June 1	60¼	53	58⅞
" 2d preferred	48	17	37½—Nov. 15	17⅞—June 7	37½	30	36
Consolidated Gas Co	222	164	220 —Oct. 19	185 —Feb. 8	219½	214	215⅞
Delaware & Hud. Canal Co	183⅛	149	189¾—Nov. 26	149 —Mar. 12	189¾	181	187½
Delaware, Lack. & Western	275½	230	334 —Nov. 10	250½—Feb. 23	334	315	331
Denver & Rio Grande	43	18	35⅞—Nov. 14	18 —Mar. 14	35⅞	29⅝	33
" preferred	90½	62	87½—Nov. 14	64⅛—Feb. 24	87½	82	86¾
Detroit Southern	20⅝	7	14¾—Jan. 23	1⅛—June 27	10	4⅞	7
" preferred	39¾	14	30⅞—Nov. 17	2¾—June 27	30⅞	8¾	29
Duluth So. S. & Atl., pref	29⅜	10	28½—Nov. 14	9¼—Aug. 10	28½	18½	25¼
Erie	42⅝	23	41⅝—Nov. 9	21½—May 16	41⅝	37¼	40⅛
" 1st pref	74	62⅛	74¼—Oct. 22	55⅝—May 31	74¼	70¼	74
" 2d pref	64⅞	44	58⅝—Nov. 28	33 —May 16	58⅝	50¾	57
Evansville & Terre Haute	72½	39⅛	83 —Nov. 16	54 —July 15	64	58	64
Express Adams	235	214	250 —Oct. 29	220 —Feb. 2	245	245	245
" American	235	171	219 —Nov. 22	180 —June 2	219	210	215
" United States	150¼	95	126 —Nov. 16	100 —Feb. 24	126	115	121
" Wells, Fargo	249½	191	250 —Aug. 23	200 —June 16	246	245	245
Hocking Valley	106½	63	86½—Nov. 23	60 —May 24	86½	80	85½
" preferred	99¼	77	91¼—Nov. 16	77 —Mar. 12	91¼	88	90½
Illinois Central	151	125⅛	158¼—Nov. 28	125¾—Feb. 24	158¼	141¾	156½
Iowa Central	48	16	33 —Nov. 12	14 —June 4	33	27	30½
" preferred	77⅝	30½	59¾—Nov. 14	32 —Feb. 25	59¾	47¾	56½
Kansas City Southern	36¼	16½	31⅞—Nov. 14	16⅛—Feb. 24	31⅞	27¾	30
" preferred	61¼	29	56¾—Nov. 18	31 —Feb. 29	56¾	50½	52¾
Kans. City Ft. S. & Mem. pref	82¾	62¼	83½—Nov. 19	64⅛—June 1	83½	79	82¾
Louisville & Nashville	130½	95	142½—Nov. 28	101 —Feb. 23	142½	130¾	142
Manhattan consol	155½	126¼	169½—Nov. 18	139¾—Mar. 12	169½	159¾	167¾
Metropolitan securities	128⅞	70½	96½—Aug. 11	72¼—Mar. 14	83¾	79¾	81½
Metropolitan Street	142⅞	99⅞	130⅝—Oct. 21	104¾—Mar. 14	125¾	120¼	123⅝
Mexican Central	29	8½	23⅝—Nov. 22	5 —Apr. 23	23⅝	17	22⅞
Minneapolis & St. Louis	110	41	67¾ Jan. 18	40 —June 3	65	59	63¾
" preferred	118	83	96½—Sept. 16	80 —July 29	....	....	....
Minn., S. P. & S.S. Marie	79⅛	42	95 —Oct. 29	55 Jan. 4	96¾	88	91¼
" preferred	132¼	109⅛	150 —Oct. 29	116 —May 2	149½	144	146
Missouri, Kan. & Tex	30⅛	15½	36⅝—Nov. 11	14⅝—Feb. 24	36⅝	29¼	33¼
" preferred	63½	33	64⅞—Nov. 15	32¼—June 1	64⅞	57	62¾
Missouri Pacific	115⅞	85¾	110½—Nov. 30	87 —Feb. 24	110½	101½	110⅜
Natl. of Mexico, pref	47⅝	34½	45½—Nov. 21	34¾—Feb. 25	45½	39½	43⅜
" 2d preferred	28½	17	25⅛—Nov. 21	15⅞—Feb. 25	25⅛	22	24
N. Y. Cent. & Hudson River	156	112⅝	142 —Nov. 30	112⅞—Mar. 12	142	132⅝	141
N. Y., Chicago & St. Louis	45	19½	44⅞—Nov. 12	25 —May 16	44⅞	35½	42⅜
" 2d preferred	87	50	77½—Nov. 12	60 —June 14	77½	73	75

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1903.		HIGHEST AND LOWEST IN 1904.		NOVEMBER, 1904.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	85¼	19	47⅞—Oct. 26	19⅝—Mar. 14	43¾	39½	42¾
Norfolk & Western...........	76¼	56¾	76½—Nov. 17	58½—Mar. 12	76⅛	70⅝	76⅝
" preferred............	93½	85	94 —Nov. 14	88 —May 6	94	92	93½
North American Co...........	124½	68	107 —Nov. 16	80 —Mar. 12	107	95	105¼
Pacific Mail....................	42¾	17	55 —Nov. 11	24 —Feb. 27	55	37	48¾
Pennsylvania R. R............	157⅝	110¾	139⅝ Nov. 30	111⅛—Mar. 12	139⅝	134¾	139
People's Gas & Coke of Chic.	108⅝	87¾	112¼—Nov. 29	92¾—Mar. 12	112¼	106⅞	111⅝
Pullman Palace Car Co.......	235¾	196	244 —Nov. 30	209 —Mar. 14	244	225	235½
Reading.........................	69¼	37½	78½—Nov. 30	38¾—Mar. 14	78½	70¾	78
" 1st prefered..........	89⅞	73	88⅝—Nov. 12	76 —Mar. 1	88⅝	87½	88¼
" 2d preferred..........	81	55¾	82 —Oct. 21	55¼—Feb. 25	81¼	79½	81¼
Rock Island....................	53⅝	19½	37¾—Nov. 16	19⅛—Mar. 11	37¾	31⅝	36⅝
" preferred............	86	55¾	86⅝—Nov. 28	57¾—Jan. 6	86⅝	72½	85½
St. L. & San Fran. 2d pref....	78	39	70 —Nov. 14	39¼—Jan. 6	70	60⅝	68¾
St. Louis & Southwestern....	30	12	26¼—Nov. 29	9½—June 1	26¼	21½	26
" preferred............	66	24	54¾—Nov. 29	25⅜—June 1	54¾	48¾	54¼
Southern Pacific Co...........	68¼	38⅝	68¾—Nov. 15	41½—Mar. 14	68¾	59½	67¼
Southern Railway............	36⅞	16½	36½—Oct. 25	18¼—Feb. 24	36½	33¼	36⅛
" preferred............	96	69½	96 —Sept. 9	77½—Jan. 6	96	93	95¾
Tennessee Coal & Iron Co....	68¾	25⅞	77⅛—Nov. 17	31⅝—May 16	77⅛	55⅝	75½
Texas & Pacific................	43⅝	20½	38⅛—Nov. 14	20 —June 2	38⅛	32¾	37⅛
Toledo, St. Louis & Western..	31⅞	15	38 —Nov. 30	21½—May 27	38	29½	37⅛
" preferred............	48	24	57¼—Nov. 30	32 —Feb. 24	57¼	47⅝	56¾
Union Pacific.................	104⅝	65½	117 —Nov. 21	71 —Mar. 14	117	107⅞	115⅞
" preferred............	95¼	83½	95¾—Aug. 30	86½—Feb. 25	95½	94½	95
Wabash R. R..................	32¾	16⅝	25 —Nov. 12	15 —May 16	25	20⅝	23¾
" preferred............	55¼	27½	48⅛—Nov. 18	32¾—Feb. 24	48⅛	41¾	46⅞
Western Union................	93	80¼	93 —Oct. 17	85 —May 19	93	90⅝	92½
Wheeling & Lake Erie........	27½	12	22⅝—Nov. 14	14⅛—July 25	22⅝	17⅞	20½
" second preferred....	38½	20	32 —Nov. 12	21⅛—June 29	32	26¾	29¾
Wisconsin Central...........	29¼	14½	25 —Nov. 18	16 —June 6	25	22	23½
" preferred............	55½	33	49⅝—Nov. 18	37 —June 6	49⅝	45	48⅞
"INDUSTRIAL"							
Amalgamated Copper........	75⅝	35⅝	81¾—Nov. 18	43⅛ Feb. 8	81¾	68	80¾
American Car & Foundry....	41¾	17¼	34⅝—Nov. 29	14¾—July 1	34⅝	25¾	33¾
" pref...................	93	60½	93½—Nov. 29	67 —Jan. 6	93½	82½	92¾
American Co. Oil Co..........	46¼	25¼	35⅞—Nov. 16	24¼—June 14	35⅞	29⅝	33½
American Ice	11⅞	4	9¾—Nov. 21	6⅛—Mar. 24	9¾	8⅛	8⅞
American Locomotive........	31⅝	10½	36⅜—Nov. 28	16½—Jan. 6	36⅜	26½	34¾
" preferred............	95¾	67½	105 —Nov. 26	75½—Jan. 6	105	97¼	104
Am. Smelting & Refining Co.	52⅞	36¾	82⅝—Nov. 28	46 —Feb. 25	82⅝	69¾	81⅛
" preferred............	99½	80¼	115 —Oct. 24	88¾—Jan. 6	115	110	113
American Sugar Ref. Co......	134⅝	107⅛	153 —Nov. 17	122¼—Mar. 7	153	141⅛	149½
Anaconda Copper Mining....	125½	58	120⅞—Nov. 21	61 —Feb. 20	120⅞	101	115
Continental Tobacco Co. pref.	119	94¾	130 —Nov. 30	101½—Jan. 4	130	124	130
Corn Products................	35	15½	26¼—Nov. 18	9¾—May 9	26¼	17½	24
" preferred............	85½	60	82¼—Nov. 15	65 —Mar. 9	82¼	72½	81
Distillers securities...........	34¾	20	39½—Nov. 29	19½—June 9	39½	32¾	38¾
General Electric Co...........	204	136	194½—Nov. 22	151 —June 20	194½	173¼	191½
International Paper Co......	19⅞	9	22 —Nov. 15	10¼—May 26	22	17½	20¾
" preferred............	74¼	57½	79¾—Nov. 15	64⅛ Feb. 9	79¾	77	79⅛
National Biscuit..............	47⅝	32	59½—Nov. 15	36 —Jan. 4	59½	49	55⅝
National Lead Co.............	29½	10½	26¼—Oct. 3	14⅛—Feb. 25	26	23	24
Pressed Steel Car Co..........	65¾	22½	44⅛—Oct. 17	24¼—May 16	41¾	29⅝	40¾
" preferred............	95	62½	91½—Nov. 28	67 —May 16	91½	80	90
Republic Iron & Steel Co.....	22⅝	5⅝	18¼—Nov. 28	6 —May 16	18¼	11¼	17¾
" preferred............	80⅜	36¾	73½—Nov. 28	37 —May 13	73½	53	71
Rubber Goods Mfg. Co........	30	12	25½—Nov. 15	14¾—Apr. 15	25½	21⅝	25⅝
" preferred............	84½	60	93 —Nov. 30	74¾—Jan. 15	93	81½	93
U. S. Leather Co.............	15¼	6	15 —Nov. 21	6⅛—May 27	15	11⅛	13⅝
" preferred............	96¾	71½	96 —Nov. 22	75⅝—Jan. 4	96	90¼	95
U. S. Realty & Con............	28½	4	9⅜—Jan. 21	5⅛—Jan. 15	....	....	....
" preferred............			63⅜—May 23	40 —Jan. 14	....	....	....
U. S. Rubber Co...............	19⅛	7	34⅝—Nov. 28	10½—Feb. 6	34⅝	27¼	33⅞
" preferred............	58	30¼	92¾—Nov. 29	41 —Jan. 4	92¾	83⅞	91½
U. S. Steel......................	39⅞	10	32⅞—Nov. 30	8⅜—May 18	32⅞	19⅝	32½
" pref......................	89¾	49¾	95¼—Nov. 26	51¼—May 13	95¼	79⅛	93⅝

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Ann Arbor 1st g 4's..............1995	7,000,000	Q J	97⅛	Nov. 30,'04	98	96¾	47,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	148,155,000	A & O	102⅝	Nov. 30,'04	103	102⅛	1,076,000
" registered..................	....	A & O	101	Nov. 21,'04	102⅛	101	4,000
" adjustment, g. 4's.....1995	25,616,000	NOV	94⅝	Nov. 30,'04	94½	92⅝	425,000
" registered..................	....	NOV	82½	Jan. 26,'04	....	....	....
" stamped...............1995	26,112,000	M & N	94⅛	Nov. 30,'04	94½	92⅛	596,000
" serial debenture 4's—							
" series C...............1905	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series D...............1906	2,500,000	F & A	99	Aug. 15,'04	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series E...............1907	2,500,000	F & A	99¾	Oct. 18,'04	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series F...............1908	2,500,000	F & A	99⅛	Nov. 3,'04	99⅛	99⅛	4,000
" registered..................	....	F & A	....	....	....	....	....
" series G...............1909	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series H...............1910	2,500,000	F & A	97⅛	Sept. 12,'04	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series I...............1911	2,500,000	F & A	98⅛	Nov. 23,'04	98⅛	98⅛	10,000
" registered..................	....	F & A	....	....	....	....	....
" series J...............1912	2,500,000	F & A	....	....	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series K...............1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" series L...............1914	2,500,000	F & A	92⅝	Nov. 10,'02	....	....	....
" registered..................	....	F & A	....	....	....	....	....
" East.Okla.div.1stg.4's.1928	6,128,000	M & S	99	Nov. 17,'04	99	97¼	75,000
" " registered......	....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S	....	....	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	36,844,000	M & S	99¾	Nov. 30,'04	100	98	716,000
" registered..................		M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g. 7's..1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's..1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
" 1st g. 5's..............1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's..1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd. g. 4's..1938	3,000,000	J & J	98	July 14,'04	....	....	....
Sil.Sps Oc.& G.RR.&ld g.gtd g.4s.1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s..1925	72,798,000	J & J	96⅛	Nov. 29,'04	96¾	95¾	290,000
" registered..................		J & J	96	Nov. 7,'04	96	96	1,000
" g. 4s...................1948	70,963,000	A & O	103¼	Nov. 30,'04	103¾	103	564,500
" g. 4s. registered..........		A & O	102	Nov. 29,'04	102⅝	102	9,000
" ten year c. deb. g. 4's..1911	592,000	M & S	101¼	Oct. 12,'04	....	....	....
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	91	Nov. 29,'04	91	90¾	13,000
" registered..................		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System							
refunding g 4s........1941	20,000,000	M & N	99¾	Nov. 30,'04	100	98⅛	106,000
" Southw'n div. 1st g.3½s.1925	43,590,000	J & J	93⅝	Nov. 30,'04	93¾	92	676,500
" registered..................		Q J	90¼	July 16,'01	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	105⅛	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	108	Sept. 7,'04	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's..1922	515,000	A & O	119⅛	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's...1917	688,000	J & J	100	Nov. 15,'04	100	100	2,000
" J. P. Morgan & Co. cer.....	1,921,000	......	100	Sept. 22,'04	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	114⅛	Nov. 21,'04	114¾	114⅛	9,000
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	121⅛	Mar. 2,'04	....	....	....
" cons. 1st 6's,...........1922	3,920,000	J & D	123⅛	Aug. 17,'04	....	....	....
Buff. & Susq. 1st refundg g. 4's..1951	4,317,000	J & J	99¼	Oct. 14,'04	....	....	....
" registered......		J & J	....	....	....	....	....

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NAME.	*Principal Due*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	104⅛	Nov.30,'04	104¾	104	126,000
• 2d mortg. 5's	1913	6,000,000	M & S	107	Nov.29,'04	107	106⅛	48,000
• registered			M & S	107	July 11,'04	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	95⅛	Nov.15,'04	95⅛	95⅛	1,000
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	120¾	Oct. 20,'04	....	....	....
• registered $1,000 & $5,000			F & A	....	....	....	....	....
• con. g. 5's	1945	16,700,600	M & N	111	Nov.29,'04	112	111	392,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	....	....	....
• 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	90	Nov.25,'04	93	88¼	382,000
• 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	72½	Nov.29,'04	74⅞	62⅞	1,247,000
• 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	64¾	Nov.28,'04	65½	49	629,000
• Chat. div. pur. my. g. 4's	1951	2,057,000	J & D	94¾	Nov.28,'04	94¾	94¾	4,000
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
• Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	102	June29,'99	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	107¼	Aug. 2,'04	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	110	Nov.29,'04	110	109¼	5,000
Central of New Jersey, gen. g. 5's	1987	27,419,000	J & J	135⅛	Nov.29,'04	135⅝	135	63,000
• registered			Q J	133¼	Nov.22,'04	133¼	132⅝	15,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	114	Oct. 17,'04	....	....	....
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	103	Nov.29,'04	103	103	2,000
• con. extended gtd. 4½'s	1910	12,175,000	Q M	104	Nov.29,'04	104	102½	78,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	108	July 1,'04	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	111½	July 27,'04	....	....	....
• 1st con. g. 5's	1939	25,358,000	M & N	118⅛	Nov.29,'04	119½	118	77,000
• registered			M & N	117½	Oct. 11,'04	....	....	....
• Gen. m. g. 4½'s	1992	33,573,000	M & S	107¼	Nov.30,'04	108	105½	1,206,000
• registered			M & S	95	Dec. 22,'03	....	....	....
• Craig Val. 1st g. 5's	1940	650,000	J & J	113	May 14,'03	....	....	....
• (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	102	Nov.30,'04	102½	102	4,000
• 2d con. g. 4's	1989	1,000,000	J & J	96½	Sept.19,'04	....	....	....
• Warm S. Val. 1st g. 5's	1941	400,000	M & S	106½	Oct. 29,'02	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	95½	Sept.20,'04	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	85	Nov.30,'04	85	83	121,000
• • registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	82⅝	Nov.30,'04	82¾	80⅛	666,000
• registered			J & J	83	Oct. 26,'02	....	....	....
Chicago, Burl. & Quincy:								
• Chic. & Iowa div. 5's	1905	2,820,000	F & A	104¾	Apr. 11,'91	....	....	....
• Denver div. 4's	1922	4,833,000	F & A	101	Nov.17,'04	101	101	2,000
• Illinois div. 3½s	1949	50,835,000	J & J	96¾	Nov.29,'04	96⅞	95¼	30,000
• registered			J & J	90½	Apr. 16,'04	....	....	....
• Illinois div. 4s	1949	5,992,000	J & J	105¾	Aug. 8,'04	....	....	....
• (Iowa div.) sink. f'd 5's	1919	2,449,000	A & O	103¾	Apr. 27,'04	....	....	....
• 4's	1919	8,049,000	A & O	102	Nov. 1,'04	102	102	1,000
• Nebraska extensi'n 4's	1927	25,344,000	M & N	105½	Nov.30,'04	105½	105½	15,000
• registered			M & N	105	Dec. 2,'03	....	....	....
• Southwestern div. 4's	1921	3,550,000	M & S	100¾	Feb. 8,'04	....	....	....
• 4's joint bonds	1921	215,222,000	J & J	100½	Nov.30,'04	101½	98½	6,552,000
• • registered			Q JAN	99½	Nov.25,'04	100	99	194,000
• 5's, debentures	1913	9,000,000	M & N	108	Oct. 26,'04	....	....	....
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	112½	Oct. 31,'04	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	108	Nov.17,'04	108	107⅝	8,000
• small bonds			J & D	103½	July 8,'04	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	129	Apr. 12,'04	....	....	....
• gen. con. 1st 5's	1937	16,529,000	M & N	117½	Nov.30,'04	118½	117½	7,000
• registered			M & N	119½	Apr. 13,'03	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	117	Sept. 1,'04	....	....	....
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	132⅝	Nov.22,'04	132⅝	132½	6,000
• ref. g. 5's	1947	4,442,000	J & J	117½	Nov.18,'04	117½	116½	15,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	111⅝	Nov. 2,'04	111⅝	111⅝	1,000
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	991,000	J & J	134	Oct. 20,'04	....	....	....
• terminal g. 5's	1914	4,748,000	J & J	111	Oct. 20,'04	....	....	....
• gen. g. 4's, series A	1989	23,676,000	J & J	110⅝	Nov.21,'04	110⅝	110⅝	3,000
• registered		....	Q J	109½	June18,'04	....	....	....

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″ gen. g. 3½'s, series B	1989	2,500,000	J & J	97⅛	Oct. 11,'04	....	....	....
″ registered			J & J			....	....	....
″ Chic. & Lake Sup. 5's	1921	1,360,000	J & J	116½	Apr. 29,'03	....	....	....
″ Chic. & M. R. div. 5's	1926	3,083,000	J & J	119⅞	Nov.25,'04	119⅞	119⅞	1,000
″ Chic. & Pac. div. 6's	1910	3,000,000	J & J	112¾	Sept.30,'04	....	....	....
″ 1st Chic. & P. W. g. 5's	1921	25,340,000	J & J	117½	Nov.28,'04	117⅝	117⅝	8,000
″ Dakota & Gt. S. g. 5's	1916	2,856,000	J & J	112⅛	Nov. 9,'04	112⅛	112⅛	2,000
″ Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
″ 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	116⅞	Oct. 21,'04	....	....	....
″ 1st 5's	1910	990,000	J & J	106	Aug. 3,'04	....	....	....
″ 1st 7's, Iowa & D, ex.	1908	891,000	J & J	169	Mar. 14,'04	....	....	....
″ 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	118	Aug.31,'03	....	....	....
″ Mineral Point div. 5's	1910	2,840,000	J & J	107⅝	Oct. 18,'04	....	....	....
″ 1st So. Min. div. 6's....	1910	7,432,000	J & J	112	Nov.22,'04	112	112	6,000
″ 1st 6's, Southw'n div.	1909	4,000,000	J & J	111	Sept.28,'04	....	....	....
″ Wis. & Min. div. g. 5's	1921	4,755,000	J & J	116⅞	Nov.28,'04	116⅞	116⅞	2,000
″ Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	112	Sept. 7,'04	....	....	....
″ 1st con. 6's	1913	5,092,000	J & D	118¼	Oct. 20,'04	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	130½	Oct. 4,'04	....	....	....
″ extension 4's.....	1886–1926	18,632,000	F A 15	104⅞	June24,'04	....	....	....
″ registered			F A 15	102⅝	May 11,'04	....	....	....
″ gen. g. 3½'s	1987	20,588,000	M & N	100	Oct. 6,'04	....	....	....
″ registered			Q F	103	Nov.19,'98	....	....	....
″ sinking fund 6's..	1879–1929	5,686,000	A & O	115½	Nov. 3,'04	115½	115	3,000
″ registered			A & O	111½	Dec. 11,'03	....	....	....
″ sinking fund 5s'..	1879–1929	6,769,000	A & O	110¼	Nov.28,'04	110¼	110¼	9,000
″ registered			A & O	107	Mar. 28,'04	....	....	....
″ deben. 5's	1909	5,900,000	M & N	108⅝	Nov. 7,'04	108⅝	108⅝	10,000
″ registered			M & N	104	Mar. 3,'04	....	....	....
″ deben. 5's	1921	10,000,000	A & O	110½	Oct. 5,'04	....	....	....
″ registered			A & O	108¾	Jan. 12,'04	....	....	....
″ sinking f'd deben. 5's	1933	9,800,000	M & N	118	July 4,'04	....	....	....
″ registered			M & N	115¼	Nov.19,'04	115¼	115¼	4,000
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	104½	Nov.17,'02	104½	104½	1,000
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½	May 23,'04	...	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105⅝	Nov. 17,'03	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	109¾	June18,'04	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	128	Nov.30,'04	128	127¾	52,000
″ ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	119¼	Nov.15,'04	119½	119¼	12,000
″ Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
″ Michigan div. 1st g. 6's.	1924	1,281,000	J & J	133	Nov.28,'04	133	131¾	6,000
″ con. deb. 5's	1907	436,000	F & A	108	Apr. 8,'04	....	....	....
″ incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	124½	Nov.16,'04	124½	123¾	6,000
″ registered	1917		J & J	124	Nov.16,'04	124	123⅝	20,217
″ gen. g. 4's	1988	61,581,000	J & J	106¼	Nov.29,'04	106½	104¾	217,000
″ registered			J & J	107	Jan. 16,'03	....	....	....
″ coll. tr. ser. 4's ser. C.	1905	1,494,000	M & N	101¼	Sept.29,'02	....	....	....
″ D	1906	1,494,000	M & N			....	....	....
″ E	1907	1,494,000	M & N			....	....	....
″ F	1908	1,494,000	M & N			....	....	....
″ G	1909	1,494,000	M & N			....	....	....
″ H	1910	1,494,000	M & N	97	July14,'04	....	....	....
″ I	1911	1,494,000	M & N			....	....	....
″ J	1912	1,494,000	M & N			....	....	....
″ K	1913	1,494,000	M & N			....	....	....
″ L	1914	1,494,000	M & N			....	....	....
″ M	1915	1,494,000	M & N	96	May 16,'04	....	....	....
″ N	1916	1,494,000	M & N	98	May 24,'04	....	....	....
″ O	1917	1,494,000	M & N			....	....	....
″ P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,557,000	M & N	81¾	Nov.30,'04	82⅞	75⅝	9,086,000
″ registered			M & N	76½	Sept.14,'04	....	....	....
″ coll. trust g. 5's	1913	17,180,000	M & S	94¼	Nov.30,'04	96½	88¼	11 639 000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	103¾	Nov.29,'04	103¾	103⅛	15,000
″ con. 1st & col. tst 5's	1934	11,000,000	A & O	120½	Nov.29,'04	120⅝	120½	20,000
″ registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112½	Sept.26,'04	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug.21,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	105	Oct. 3,'04	....	....	....
″ con. g. 5's	1952	5,411,000	J & J			....	....	....
Des Moines & Ft. Dodge 1st 4's.	1905	1,200,000	J & J	95¼	Oct. 1,'03	....	....	....
″ 1st 2½'s	1905	1,200,000	J & J	95	Sept.14,'04	....	....	....
″ extension 4 s...		672,000	J & J	98	Jan. 13,'04	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	106¾	July 8,'04	....	....	....
″ small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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Chic., St.P., Minn.& Oma.con.6's.1930	14,696,000	J & D	135¾	Nov.29,'04	135¾	135¼	40,000
" con.6's reduced to 3½'s.1930	2,000,000	J & D	93	Dec. 19,'04			
Chic., St. Paul & Minn. 1st 6's..1918	1,858,000	M & N	132⅛	Nov.12,'04	132⅛	132⅛	1,000
North Wisconsin 1st mort. 6's..1930	659,000	J & J	129⅝	Mar. 3,'04			
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	123⅛	Nov.15,'04	123⅛	122⅞	22,000
Chic., Term. Trans. R. R. g. 4's..1947	15,185,000	J & J	85	Nov.23,'04	85½	82	166,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,453,000	Q M	111⅛	Apr. 28,'04			
Cin., Ham. & Day. con. s'k. f'd 7's.1905	927,000	A & O	104¼	Dec. 5,'03			
" 2d g. 4½'s..............1937	2,000,000	J & J	113	Oct. 10,19'			
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	113¼	July 14,'04			
Cin. Find. & Ft.W. 1st gtd g. 4's.1923	1,000,000	M & N					
Cin.Ind.&Wn.1st&ref.gtdg.4's.1953	3,200,000	J & J	99	Nov. 4,'04	99	98⅛	15,000
Clev.,Cin.,Chic.& St.L. gen.g.4's..1993	19,749,000	J & D	102¼	Nov.30,'04	103⅛	102¼	90,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	100	July 9,'04			
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	98⅛	July 30,'04			
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	101½	Sept.26,'04			
" registered..............			100	Oct. 3,'04			
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	102	Dec. 9,'02			
White W. Val. div. 1st g. 4's....1940	650,000	J & J	94¼	Aug.31,'03			
Cin.,Ind., St. L. & Chic. 1st g.4's.1936	7,599,000	Q F	100	Nov.11,'04	100	100	11,000
" registered..............			95	Nov. 15,'94			
" con. 6's................1920	668,000	M & N	105	Jan. 22,'04			
Cin.,S'dusky&Clev.con.1st g.5's1928	2,571,000	J & J	115¼	June23,'04			
Clev., C., C. & Ind. con. 7's......1914	3,991,000	J & D	126	Nov.29,'04	126	126	5,000
" sink. fund 7's........1914		J & D	119⅝	Nov.19,'89			
" gen. consol 6's........1934	3,205,000	J & J	130	Sept.19,'04			
" registered..............		J & J					
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01			
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J					
Peoria & Eastern 1st con. 4's...1940	8,103,000	A & O	99¼	Nov.28,'04	99⅝	98	14,000
" income 4's............1990	4,000,000	A	73	Nov.29,'04	78	69¾	223,000
Clev.,Lorain & Wheel'g con.1st 5's1933	5,000,000	A & O	112¼	Feb. 9,'04			
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	116	Feb. 10,'04			
" registered..............		Q J					
Col. Midld Ry. 1st g. 4's..........1947	8,946,000	J & J	72	Nov.30,'04	73	68⅛	1,063,000
Colorado & Southern 1st g. 4's...1929	19,103,000	F & A	89	Nov 28,'04	89	87¾	352,000
Conn., Passumpsic Riv's 1st g. 4's.1943	1,900,000	A & O	102	Dec. 27,'93			
Delaware, Lack. & W. mtge 7's..1907	3,067,000	M & S	109⅛	Oct. 4,'04			
Morris & Essex 1st m 7's........1914	5,000,000	M & N	128½	Nov.29,'04	128½	128⅛	10,000
" 1st c. gtd 7's..........1915	11,677,000	J & D	130¼	Aug.24,'04			
" registered..............		J & D	140	Oct. 26,'98			
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D					
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	129¼	Aug.27,'04			
" const. 5's..............1923	5,000,000	F & A	114½	July 6,'04			
" terml. imp. 4's.........1923	5,000,000	M & N	102¼	Nov.11,'04	102¼	102¼	15,000
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	108¼	July 16,'04			
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	102	Feb. 2,'03			
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	133¾	Mar.30,'04			
" reg.....................1917		M & S	149	Aug. 5,'01			
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	106	June 3,'04			
" registered..............		A & O	122	June 6,'99			
" 6's.....................1906	7,000,000	A & O	103¾	Nov.29,'04	103⅛	103⅛	2,000
" registered..............		A & O	109⅝	Nov.16,'01			
Rens. & Saratoga 1st 7's 1921	2,000,000	M & N	146⅝	Oct. 10,'04			
Denver & Rio G. 1st con. g. 4's...1936	33,450,000	J & J	101¼	Nov.28,'04	101⅜	100¾	88,500
" con. g. 4½'s...........1936	6,382,000	J & J	104¼	July 1,'03			
" impt. m. g. 5's.........1928	8,318,500	J & D	107¾	Nov. 4,'04	107¾	107¾	8,000
Rio Grande Western 1st g. 4's..1939	15,200,000	J & J	99¾	Nov.30,'04	100¼	99¼	81,000
" mge.&col.tr.g.4's ser.A.1949	12,700,000	A & O	89	Nov.30,'04	89½	88¾	98,000
Utah Central 1st gtd. g. 4's...1917	550,000	A & O	97	Jan. 3,'02			
Den. & Southwn Ry g.s.fg. 5's.1929	4,923,000	J & D	24	May 4,'04			
Midl'd Ter. Ry. 1st g. s. f. 5's ...1925	472,000	J & D					
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	110	Sept.30,'04			
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	100	Sept.13,'04			
" g. 4s....................1995	1,250,000	J & D	95½	Nov. 4,'04	95¼	95⅛	3,000
Detroit Southern 1st g. 4's.......1951	3,866,000	J & D	67¼	Nov 29,'04	67⅛	45	251,000
" Ohio South. div.1st g.4's.1941	4,281,000	M & S	87¼	Nov.30,'04	88	81⅛	158,000
Duluth & Iron Range 1st 5's......1937	6,732,000	A & O	117	Nov.29'04	117	114	8,000
" registered..............		A & O	101¼	July 23,'89			
" 2d l m 6s..............1916	2,000,000	J & J					
Duluth So. Shore & At. gold 5's..1937	3,816,000	J & J	113¼	Sept.19,'04			
Duluth Short Line 1st gtd. 5's...1916	500,000	M & S					
Elgin Joliet & Eastern 1st g 5's..1941	8,500,000	M & N	117⅛	Oct. 28,'04			

BOND QUOTATIONS.—Last sale, price and date highest and lowest prices and total sales for the month.

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NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE Price.	LAST SALE Date.	NOVEMBER SALES. High.	NOVEMBER SALES. Low	NOVEMBER SALES. Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	114	June 3,'03	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	113¾	July11,'04	....	....	....
• 3d extended g. 4½'s	1923	4,617,000	M & S	109⅝	Sept.29,'04	....	....	....
• 4th extended g. 5's	1920	2,926,000	A & O	114	Mar. 24,'04	....	....	....
• 5th extended g. 4's	1928	709,500	J & D	103⅛	Sept.12,'03	....	....	....
• 1st cons gold 7's	1920	16,890,000	M & S	135	Nov.25,'04	135	134⅛	38,000
• 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	102	Nov.30,'04	102¼	100¾	315,000
• registered			J&J	98⅛	Jan. 21.'04	....	....	....
• 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	92	Nov.30,'04	92	88⅛	3,843,000
• registered			J&J	88	Nov.15,'04	88	88	1,000
• Penn. col. trust g. 4's.	1951	33,000,000	F & A	94⅛	Nov.28,'04	95¾	93¼	985,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	127⅞	Nov.18,'04	127⅞	127⅞	1,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	....	....	....	....	....
• small			J&J	....	....	....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	122	Nov.17,'04	122	120	20,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	103	Oct. 8,'02	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	132	Apr. 18,'04	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	113⅛	Nov.25,'03	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	108⅛	Jan. 6,'04	....	....	....
• small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	109½	Nov. 2,'04	109½	109½	500
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	115⅝	Nov.25,'04	115⅝	115⅝	1,000
• 2d g. 4½'s	1937	447,000	F & A	102	Nov.18,'04	102	102	2,000
• gen. g. 5's	1940	2,546,000	F & A	109	Nov.29,'04	109	107⅞	20,000
• term. 1st g. 5's	1943	2,000,000	M & N	117	Oct. 21,'04	....	....	....
• registered......$5,000 each			M & N	....	....	....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	112⅛	Nov.23,'04	112⅛	112⅛	5,000
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	107⅛	Nov.16,'04	107⅛	107⅛	6,000
Evans. & Terre Haute 1st con. 6's	1921	3,000,000	J & J	123	Nov. 5,'04	123	123	8,000
• 1st General g 5's	1942	2,672,000	A & O	106	Oct. 10,'04	....	....	....
• Mount Vernon 1st 6's	1923	375,000	A & O	112	June 2,'02	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
Ft. Smith U'n Dep. Co. 1st g 4½'s	1941	1,000,000	J & J	105	Mar. 11,'98	....	....	....
Ft. Worth & D. C. ctfs. dep. 1st 6's	1921	8,176,000	......	111⅛	Nov.30,'04	111⅛	110¼	47,000
Ft. Worth & Rio Grande 1st g 5's	1928	2,863,000	J & J	86⅞	Nov 22,'04	86⅞	84⅛	92,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	103	Nov.25,'04	103	103	1,000
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,591,000	J & J	105½	Nov 30,'04	106	103¾	99,000
• registered			J & J	....	....	....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	111⅛	Nov.28,'04	111⅛	109	119,000
• registered			J & J	105⅛	July14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's	1848	1,401,000	A & O	100¼	Apr. 12,'04	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	113	Nov. 7,'04	113	113	1,000
• registered			J&J	113⅛	Mar. 12,19'	....	....	....
• 1st gold 3½'s	1951	2,499,000	J&J	102	Aug.19,'04	....	....	....
• registered			J&J	94	Mar. 28,'03	....	....	....
• extend 1st g 3½'s	1951	3,000,000	A & O	99¼	Oct. 22,'03	....	....	....
• registered			A & O	....	....	....	....	....
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
• registered			M & S	....	....	....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	103¾	Nov.23,'04	103¾	103¾	2,000
• regist'd			A & O	102	Oct. 4,'03	....	....	....
• col.t.g.4sL.N.O.&Tex.	1953	24,679,000	M & N	104	Nov.16,'04	104	102	5,000
• registered			M & N	101	Apr. 7,'04	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106⅛	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....	....	....	....	....
• Louisville div. g. 3½'s.	1953	14,320,000	J & J	96¼	Nov.11,'04	96¼	96¼	3,000
• registered			J & J	88⅛	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• Omaha div. 1st g. 3's	1951	5,000,000	F & A	86¼	Nov.30,'04	86⅜	86	210,000
• St. Louis div. g. 3's	1951	4,939,000	J & J	85	Nov.29,'04	85	81	6,000
• registered			J & J	101¼	Jan. 31,'19	....	....	....
• g. 3½'s	1951	6,321,000	J & J	94¼	Aug.11,'04	....	....	....
• registered			J & J	101⅛	Sept.10,'95	....	....	....
• Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's,	1951	5,425,000	F & A	105¾	Nov.11,'04	105¾	105¾	1,000
• registered			F & A	101⅛	Jan.31,'91	....	....	....
Belleville & Carondt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Carbond'e & Shawt'n 1st g. 4's	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	119	Feb. 25,'04	....	....	....
" gold 5's, registered			J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	104⅛	Sept. 6,'04	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	103	Nov.10,'04	103	103	4,000
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	107⅛	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	99⅛	Oct. 28,'04	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	11,291,000	M & N	119½	Nov.26,'04	119½	119½	8,000
" 2d g. 5's	1909	10,391,000	M & S	100½	Nov.30,'04	100½	100	99,000
" 3d g. 4's	1921	2,959,500	M & S	72	Nov.30,'04	72	68	31,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	114⅜	Oct. 14,'04	....	....	....
" refunding g. 4's	1951	2,000,000	M & S	86	Nov.30,'04	88	86	19,000
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72	Nov.30,'04	73	71½	191,000
" registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	120	Nov.21,'04	120	119¼	3,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	112¾	Nov. 4,'04	112¾	112¾	2,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	116½	Nov. 7,'04	116½	115	22,000
Lehigh Val. (Pa.) coll. g. 5's	1997	8,000,000	M & N	107⅞	Nov.29,'04	107⅞	107⅞	22,000
" registered			M & N	....	....	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	110½	Nov. 5,'04	110½	110½	2,000
" registered		....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	116½	Nov.25,'02	116½	116½	1,000
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,114,000	J & J	111	Sept.30,'04	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	99	Aug.26,'04	....	....	....
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	106½	Nov. 3,'04	106½	106½	5,000
" " g. gtd 5's	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	116½	Oct. 18,'04	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	103	Nov.28,'04	103	102	10,000
" Ferry 1st g. 4½'s	1922	1,494,000	M & S	100	Oct. 12,'04	....	....	....
" g. 4's	1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's	1949	6,860,000	M & S	102½	Nov.29,'04	102½	102½	7,000
" deb. g. 5's	1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's	1949	10,000,000	M & S	102½	Nov.30,'04	102½	101⅝	106,000
" " registered			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	107½	Sept.27,'04	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	109	Nov.23,'02	109	109	2,000
Louisiana & Arkan. Ry. 1st g. 5's	1927	2,724,000	M & S	103¾	Nov.29,'04	103¾	103	64,000
Louis. & Nash. gen. g. 6's	1930	8,239,000	J & D	122	Nov.29,'04	122	120½	50,000
" gold 5's	1937	1,764,000	M & N	115¾	Aug.27,'04	....	....	....
" Unified gold 4's	1940	31,722,000	J & J	103⅛	Nov.30,'04	103⅝	102½	267,000
" registered	1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	112⅛	Nov.30,'04	112⅛	112⅛	3,000
" 5-20yr. col. tr. deed g. 4's	1923	23,000,000	A A O	98⅝	Nov.30,'04	98½	97	1,079,000
" E., Hend. & N. 1st 6's	1919	1,730,000	J & D	115¾	Nov. 9,'04	115¾	115¾	1,000
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	105⅝	Nov. 5,'04	105⅝	105⅝	1,000
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	131½	Nov.28,'04	131½	131½	20,000
" 2d g. 6's	1930	1,000,000	J & J	124½	Nov.29,'04	124½	124½	1,000
" Pensacola div. g. 6's	1920	580,000	M & S	116⅝	Mar. 22,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	122	Apr. 21,'04	....	...	....
" 2d g. 3's	1980	3,000,000	M & S	75	June20,'02	....	....	....
" At. Kx. & N. R. 1st g. 5's	1946	1,000,000	J & D	112½	Nov.16,'04	112½	112½	1,000
" H. B'ge 1st sk'fd. g. 6's	1931	1,453,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	101⅝	Nov.26,'04	101⅝	101⅝	3,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	107½	Oct. 7,'04	....	....	....
" South. Mon. joint 4's	1952	11,827,000	J & J	96½	Nov.30,'04	97	95¾	79,000
" registered			Q Jan	....	....	....	...	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	116	Nov.22,'04	116	116	1,000
" Pen. & At. 1st g. g. 6's	1921	2,394,000	F & A	115	Jan. 29,'04	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	115	Nov.26,'04	116	115	4,000
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar.23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	105	Nov.29,'04	105⅝	105⅛	96,000
" registered			A & O	103⅞	Dec. 17,'02	....	....	....

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Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	108⅝	Nov.25,'04	108⅝	108⅝	8,000
Manitoba Swn. Coloniza'n g. 5's,	1934	2,544,000	J & D					
Mexican Central.								
" con. mtge. 4's	1911	65,690,000	J & J	77	Nov.30,'04	79	72	459,000
" 1st con. inc. 3's	1939	20,511,000	JULY	25⅛	Nov.30,'04	28⅛	20	3,502,000
" 2d 3's	1939	11,724,000	JULY	16	Nov.30,'04	19⅛	15	1,455,000
" equip. & collat. g. 5's	1917	600,000	A & O					
" 2d series g. 5's	1919	665,000	A & O					
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	96	Nov.29,'04	96	94	46,000
Mexican Internat'l 1st con g. 4's,	1977	3,862,000	M & S	90⅝	July29,'01			
" stamped gtd		3,621,000						
Mexican Northern 1st g. 6's	1910	999,000	J & D					
" registered			J & D	105	May 2,'9'			
Minneapolis & St. Louis 1st g. 7's.	1927	950,000	J & D	142	Dec. 7,'03			
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	113	Oct. 7,'04			
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120½	Feb. 29,'04			
" Southw. ext. 1st g. 7's	1910	636,000	J & D	121	Jan. 21,'02			
" 1st con. g. 5's	1934	5,000,000	M & N	116	Nov.29,'04	116¾	116	12,000
" 1st & refunding g. 4's	1949	8,850,000	M & S	97½	Nov.30,'04	97½	96¾	79,000
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	29,055,000	J & J	98½	Nov.11,'04	99¼	98½	53,000
" stamped pay. of int. gtd.								
Minneapolis & Pacific 1st m. 5's.	1936	337,000	J & J	102	Mar.26,'87			
" stamped 4's pay. of int. gtd.								
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,209,000	J & J	103	Nov.11,'01			
" stamped pay. of int. gtd.				89⅝	June18,'91			
Missouri, K. & T. 1st mtge g. 4's.	1990	40,000,000	J & D	103	Nov.30,'04	103	101⅞	480,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	86⅝	Nov.29,'04	87	84½	250,000
" 1st ext gold 5's	1944	3,254,000	M & N	103½	Nov.30,'04	107	102½	268,000
St. Louis div. 1st refundg 4s	2001	1,881,000	A & O	87¼	Nov.18,'04	87½	86½	8,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105½	Nov. 3,'04	105½	105½	2,000
Kan. City & Pac. 1st g. 4s	1990	2,500	F & A	95	Nov.23,'04	95	92¾	88,000
Mo., Kan. & East. 1st gtd. g. 5s.	1942	4,000,000	A & O	110½	Nov.29,'04	110½	109¾	4,000
Mo., Kan. & Ok. 40 yr. 1st gtd. 5s.	1942	5,468,000	M & N	104½	Nov.30,'04	106	104	112,000
Mo., K. & Tex. of Tex. 1st gtd. g. 5s	1942	4,505,000	M & S	108	Nov.30,'04	110	105	292,000
Sher., Shreve. & So. 1st gtd. g. 5s.	1943	1,689,000	J & D	106	Nov. 4,'04	106	106	6,000
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	104⅞	Nov.29,'04	105	104	64,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121	Nov.30,'04	121	119¼	45,000
" 3d mortgage 7's	1906	3,828,000	M & N	109	Oct. 14,'04			
" trusts gold 5's stamp'd	1917	14,376,000	M & S	107	Nov.29,'04	107½	106⅜	68,000
" registered			M & S					
" 1st collateral gold 5's.	1920	9,636,000	F & A	108½	Nov.28,'04	109	108½	98,000
" registered			F & A					
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	95½	Nov.16,'04	96	95½	8,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	100	May 1,'01			
Little Rock & Ft. Smith 1st 7's.	1905	3,000,000	J & J					
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	103½	Nov.28,'04	103½	102½	9,000
" 2d extended g. 5's	1938	2,573,000	F & A	116	Nov.16,'04	116	116	2,000
St. L. & I. g. con. R.R. & l. gr. 5's	1931	36,799,000	A & O	117½	Nov.21,'04	117½	115⅝	61,000
" stamped gtd gold 5's	1931	6,532,000	A & O	109¾	Oct. 21,'03			
" unify'g & rfd'g g. 4's.	1929	27,563,000	J & J	96	Nov.30,'04	93¼	93½	799,000
" registered			J & J	87¼	Apr. 23,'04			
" Riv & Gulf divs 1st g 4s.	1933	16,690,000	M & N	95¾	Nov.29,'04	97	93¾	849,000
" registered			M & N					
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S					
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111½	Mar. 8,04'			
" small		226,000	J & J	90	Feb. 4,'03			
" mtg. g. 4's	1945	700,000	J & J	95	Nov. 1,'04	95	95	1,000
" small		500,000		94	Aug. 6,'04			
Mob. Jackson & Kan. City 1st g. 5's.	1946	1,882,000	J & D	102	July 25,'02			
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	128⅝	Nov. 4,'04	128⅝	128½	12,000
" 1st extension 6's	1927	974,000	J & D	121	Apr. 23,'04			
" gen. g. 4's	1938	9,472,000	Q J	96¼	Nov.15,'04	96¼	96¼	1,000
" Montg'ry div. 1st g. 5's.	1947	4,000,000	F & A	114¾	Sept.24,'04			
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	101	101	10,000
" collateral g. 4's	1930	2,494,000	Q F	92½	July 29,'04			
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	123¾	Nov.28,'04	123⅞	123½	11,000
" 1st cons. g. 5's	1928	7,566,000	A & O	115	Nov.26,'04	115	114½	37,000
" 1st g. 6's Jasper Branch.	1923	371,000	J & J	123	Mar. 28,'01			
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	113½	June 9,'04			
" 1st 6's T. & Pb	1917	300,000	J & J	113	July 6,'99			
Nat'R.R. of Mex. prior lien g. 4½'s.	1926	20,000,000	J & J	104	Nov.23,'04	104	104	6,000
" 1st con. g. 4's	1951	22,000,000	A & O	82	Nov.28,'04	82	79¾	622,000
N.O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94			
N.Y. Cent. & Hud. R. g. mtg. 3½s.	1997	75,409,000	J & J	101¼	Nov.29,'04	101¼	100½	214,000
" " registered			J & J	100½	Nov.25,'04	100⅝	100	24,000
" debenture g. 4's	1890-1905	5,094,000	J & D	101	Aug.15,'04			
" registered			J & D	99	Dec. 12,'02			

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NAME.	*Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
" deb. cert. ext. g. 4's	1905	3,581,000	M & N	100¼	Oct. 10,'04	....	....	....
" registered			M & N	99½	Nov. 8,'02	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91	Nov.29,'04	91¼	90¼	445,000
" registered			F & A	90⅛	Nov.25,'04	90⅛	89⅝	20,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	89¼	Nov.29,'04	90	89¼	78,000
" registered			F & A	91	Jan. 17,'03	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	105⅛	July 7,'04	....	....	....
" registered			J & J	102	Mar. 31,'03	....	....	....
" 2d gtd. g. 5's	1936	500,000	J & J	....		....	....	....
" registered		....	J & J	....		....	....	....
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O	....		....	....	....
" registered			A & O	....		....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....		....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04	....	....	....
" small bonds series B		33,000	J & J	....		....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....		....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates			F & A	....		....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	105½	Nov.15,'96	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....		....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109	Nov.29,'04	109½	109	91,000
" registered			J & J	109	Nov.29,'04	109	108¼	61,500
Lake Shore g 3½s	1997	50,000,000	J & D	101⅛	Nov.22,'04	101⅛	101⅛	59,000
" registered			J & D	100⅝	Oct. 7,'04	....	....	....
" deb. g. 4's	1928	40,000,000	M & S	100⅞	Nov.30,'04	101	100	1,177,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	114	Feb. 6,'02	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....		....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	121	Nov. 21,'03	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....		....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....		....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's	1931	3,576,000	M & S	121	Oct. 18,'04	....	....	....
" 5's reg	1931		Q M	121	July 20,'04	....	....	....
" 4's	1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg.			J & J	106½	Nov.26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S		1,900,000	M & S	....		....	....	....
" 1st g. 3½'s	1952	18,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....		....	....	....
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	100	Sept.24,19'	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	115½	Sept. 1,'04	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	119⅛	Aug.24,'04	....	....	....
coup. g. bond currency			A & O	....		....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....		....	....	....
Utica & Black River gtd g. 4's	1922	1,300,000	J & J	104¼	Apr. 5,'04	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104¼	Nov.29,'04	104½	104	79,000
" registered			A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N. Y. & New England 1st 7's	1905	6,000,000	J & J	102¼	Nov.11,'03	102¼	102¼	5,000
" 1st 6's	1905	4,000,000	J & J	101⅞	Nov 11,'03	101⅞	101⅞	15,000
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	17,937,000	M & S	105¼	Nov.29,'04	105½	104½	272,000
" registered.......$5,000 only.		....	M & S	100	Dec. 7,'03	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,590,000	M & N	111	Nov.12,'04	111	111	3,000
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	132	Sept. 2,'03	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	132½	Nov. 7,'04	132½	132½	50,000
" New River 1st 6's	1932	2,000,000	A & O	132¾	Aug. 2,'04	....	....	....
Norfolk & West. Ry. 1st con. g. 4s	1996	89,710,500	A & O	101⅛	Nov.30,'04	101¼	100⅛	453,000
" registered			A & O	99¾	June 18,'03	....	....	....
" small bonds			A & O	....		....	....	....
" div. 1st lien & gen g. 4s	1944	5,000,000	J & J	....		....	....	....
" " registered			J & J	....		....	....	....
" Pocahon C. & C. Co. jt. 4's	1941	20,000,000	J & D	97	Nov.30,'04	97½	95	193,000
" C. C. & T. 1st g. t. g. g. 5's	1922	600,000	J & J	112	Aug.25,'04	....	....	....
" Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	102	Nov.30,'04	102⅝	101½	65,000
N. P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	105⅛	Nov.30,'04	105⅝	104¾	416,000
" registered			Q J	104¾	Nov.29,'04	104¾	104¾	45,000
" gen. lien g. 3's	2047	56,000,000	Q F	75	Nov.30,'04	75¼	74¼	461,500
" registered			Q F	74⅛	Nov.15,'04	74½	73½	15,000
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	97½	Aug.16,'04	....	....	....

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Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High.	November Sales. Low.	November Sales. Total.
" registered		7,897,000	J & D					
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125	Oct. 14,'04			
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
" 2d 5's	1917	2,000,000	A & O	107	Nov. 2,'04	107	107	2,000
" 1st con. g. 4's	1968	1,000,000	J & D	96½	Aug. 22,'04			
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	94	Aug. 16,'04			
Nor. Pacific Term. Co. 1st g. 6's	1933	3,614,000	J & J	118	Nov. 11,'04	118	118	4,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	115¼	Nov. 7,'04	115¼	115¼	1,000
" gen. mortg. g 6's	1937	2,428,000	A & O	111	Nov. 11,'04	111	111	2,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	112½	Nov. 25,'04	112½	112½	5,000
Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	102½	June 16,'03			
" s. f. subsidy g 6's	1910	715,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111¼	Nov. 21,'04	111½	109¾	46,000
" reg	1921		J & J	105¾	June 25,'04			
" gtd. 3½ col. tr. reg. cts.	1937	4,895,000	M & S	98	July 16,'04			
" gtd. 3½ col. tr. cts. ser B	1941	9,687,000	F & A	92¼	Dec. 28,'03			
" Trust Co. ctfs. g. 3½'s	1916	15,998,000	M & N	98¼	Nov. 23,'04	98¼	97½	6,000
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	118	Oct. 27,'04			
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con. gtd. g. 4's	1942	900,000	J & J					
Clev. & P. gen. gtd. g. 4½'s Ser. A	1942	3,000,000	J & J	108¼	Aug. 21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	2,000,000	F & A	96	Jan. 8,'04			
E. & Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,240,000	J & J	102	Nov. 7,19'			
" " " C.	1940	1,479,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	110½	Aug. 3,'04			
" Series B gtd	1942	8,786,000	A & O	112¼	Nov. 16,'04	112¼	112¼	1,000
" Series C gtd	1942	1,379,000	M & N	110	Aug. 17,'01			
" Series D gtd. 4's	1945	4,983,000	M & N	104½	Oct. 6,'04			
" Series E gtd. g. 3½s	1949	10,260,000	F & A	93½	Sept. 28,'04			
Pitts., Ft. Wayne & C. 1st 7's	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy. & O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	105	Mar. 26,'04			
con. sterling gold 6 per cent	1905	22,762,000	J & J					
con. currency, 6's registered	1905	4,718,000	Q M 15					
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept. 21,'04			
" registered			Q M					
con. gold 4 per cent	1943	2,797,000	M & N	106	Aug. 28,'03			
" ten year conv. 3½'s	1912	20,692,500	M & N	103½	Nov. 30,'04	103¾	100¼	1,206,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'			
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	112¾	Mar. 7,19'			
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A					
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	110	Oct. 6,'04			
Phila. Balto. & Wash. 1st g. 4's	1943	10,570,000	M & N	107¾	Nov. 16,'04	107⅞	107	20,000
" registered			M & N					
Pitts. Va. & Charl. Ry 1st gtd g. 4's	1943	6,000,000	M & N					
Sunbury & Lewistown 1st g. 4's	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept. 28,04'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	120½	Nov. 14,'04	120½	120½	1,000
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	120¾	Nov. 28,'04	120⅞	120¾	10,000
" 1st con. gold 5's	1939	2,850,000	M & N	111	Nov. 10,'04	111	111	5,000
" Port Huron d 1st g 5's	1939	3,325,000	A & O	112¼	Oct. 21,'04	112¼	112¼	
Sag'w Tusc. & Hur. 1st gtd. g. 4's	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			
Pittsburg. Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A	1928	2,000,000	A & O	112½	Dec. 13,'93			
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	114½	Sept. 2,'04			
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'			
Pittsburg. Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	117½	Oct. 24,'04			
Reading Co. gen. g. 4's	1997	66,232,000	J & J	102	Nov. 30,'04	102⅝	101⅝	747,000
" registered			J & J	100	Nov. 1,'04	100	100	6,000
" Jersey Cent. col. g. 4's	1957	23,000,000		98	Nov. 30,'04	98¼	96	532,000
" " registered								

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Atlantic City 1st con. gtd. g.4's.1951	1,063,000	M & N					
Philadelphia & Reading con.6's.1911	7,394,000	J & D					
• registered	663,000	J & D					
• 7's.....1911	7,310,000	J & D	119¼	Apr. 2,'04			
• • registered	3,339,000	J & D					
Rio Grande Junc'n 1st gtd. g. 5's, 1939	2,000,000	J & D	111½	July 28,'04			
Rio Grande Southern 1st g. 4's..1940	2,233,000	J & J	68	June27,'04			
• guaranteed	2,277,000	......	87½	Sept. 7,'04			
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	103¾	May 10,'04			
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J					
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01			
St. Jo. & Gr. Isl. 1st g. 2.342.....1947	3,500,000	J & J	93¾	Nov.30,'04	94	91¾	25,000
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J					
• 2d g. 6's.....1996	400,000	A & O					
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	106½	Oct. 31,'04			
• 2d g. 6's, Class C.....1906	829,000	M & N	103⅝	June24,'04			
• gen. g. 6's.....1931	3,681,000	J & J	128	Nov.29,'04	128	128	5,000
• gen. g. 5's.....1931	5,803,000	J & J	114	Nov.23,'04	114	113⅛	7,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	99¼	Nov.15,'04	99¼	99¼	1,000
• S. W. div. g.5's.....1947	829,000	A & O	98⅝	Nov.23,'04	98⅝	98⅝	5,000
• refunding g. 4's.....1951	58,997,000	J & J	89¼	Nov.30,'04	90⅛	86⅜	2,843,000
• • registered...		J & J					
• 5 year 4½'s gold notes.1908	5,728,000	J & D	98½	Nov.23,'04	98½	98½	2,000
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	126½	Nov.28,'04	126½	123½	8,000
Kan.Cy Ft.S &MRyrefggtd g4s.1936	16,156,000	A & O	88½	Nov.30,'04	89	85¾	570,000
• registered		A & O	78½	Jan. 14,'04			
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O					
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	97⅜	Nov.30,'04	98	97¼	92,000
• 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	85½	Nov.23,'04	85⅝	85½	69,500
• con. g. 4's.....1932	12,665,000	J & D	83	Nov.30,'04	83	79⅞	1,389,000
Gray's Point, Term. 1stgtd.g.5's.1947	339,000	J & D					
St. Paul, Minn. & Manito'a 2d 6's..1909	7,154,000	A & O	110⅜	Nov.16,'04	110⅜	110	12,000
• 1st con. 6's.....1933	13,344,000	J & J	134⅝	Oct. 31,'04			
• 1st con. 6's, registered....		J & J	140	May 14,'02			
• 1st c. 6's, red'd to g.4½'s...	19,292,000	J & J	111⅞	Nov. 9,'04	111⅞	111¾	5,000
• 1st cons. 6's register'd....		J & J	115¼	Apr.15,'01			
• Dakota ext'n g. 6's...1910	5,462,000	M & N	111¾	Sept. 6,'04			
• Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	104½	Nov.22,'04	104½	104	8,000
• registered		J & D	106	May 6,'01			
Eastern R'y Minn, 1std.1stg.5's..1908	4,700,000	A & O	102⅝	Oct. 25,'04			
• registered		A & O					
• Minn. N. div. 1stg.4's..1940	5,000,000	A & O					
• registered		A & O					
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	128	Apr. 4,19'			
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Apr. 25,'04			
• 1st 6's, registered		J & J	115	Apr. 24,'97			
• 1st g. g. 5's.....1937	4,000,000	J & J	116¾	Sept. 1,'04			
• registered		J & J					
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04			
• registered		J & D					
Salt Lake City 1st g. s. f. 6's.....1913	297,000	J & J					
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	110	Jan. 7,'04			
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	113¾	Dec. 11,'01			
Seaboard Air Line Ry g. 4's.....1950	12,775,000	A & O	84½	Nov.28,'04	85¼	81¼	166,000
• registered		A & O					
• col. trust refdg g. 5's..1911	10,000,000	M & N	102½	Nov.30,'04	102¾	101½	25,000
Carolina Central 1st con. g. 4's.1949	2,847,000	J & J	98	Nov.25,'04	98	98	5,000
Fla Cent & Peninsular 1st g.5's.1918	3,000,000	J & J	100	Sept. 6,'99			
• 1st land grant ext g.5's.1930	410,000	J & J					
• cons. g. 5's.....1943	4,370,000	J & J	104¾	July 18,'04			
Georgia & Alabama 1st con.5's.1945	2,922,000	J & J	112½	Nov.29,'04	112½	112	11,000
Ga. Car. & Nthern 1st gtd g. 5's.1929	5,360,000	J & J	110¾	Nov.11,'04	110¾	110¾	2,000
Seaboard & Roanoke 1st 5's....1926	2,500,000	J & J					
Sodus Bay & Sout'n 1st 5's, gold, 1924	500,000	J & J	102	Jan. 20,'03			
Southern Pacific Co.							
• 2-5 year col. trust g. 4½'s.1905	30,000,000	J & D	102½	Nov.30,'04	102½	102⅛	60,000
• g. 4's Central Pac. coll..1949	28,818,500	J & D	96	Nov.30,'04	96½	94¼	748,500
• • registered		J & D	94½	Aug.17,'04			
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	113⅝	Oct. 12,'04			
Cent. Pac. 1st refud. gtd.g.4's..1949	73,437,000	F & A	101¾	Nov.30,'04	102	101½	169,000
• registered		F & A	99¼	Mar. 5,'93			
• mtge. gtd. g. 3½'s...1929	17,685,500	J & D	89	Nov.25,'04	89	88½	10,000
• • registered		J & D					
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	109½	Oct. 21,'04			
• 2d g 7's.....1905	1,000,000	J & D	103	Sept.20,'04			
• Mex. & P. div 1st g 5's.1931	13,418,000	M & N	113	Nov.26,'04	113	110	7,000

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Gila Val.G.& N'n 1st gtd g 5's	1924	1,514,000	M & N	110	Oct. 27,'04	....	....	....
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	107¼	Oct. 18,'04	....	....	....
" 1st gtd. g. 5's	1933	2,199,000	M & N	108½	July 7,'04	....	....	....
Houst. & T.C. 1st g 5's int. gtd.	1937	5,092,000	J & J	113	Nov.22,'04	113¾	113	24,000
" con. g 6's int. gtd.	1912	2,566,000	A & O	113¾	Nov.25,'04	113¾	113¾	8,000
" gen. g 4's int. gtd.	1921	4,275,000	A & O	95½	Nov.21,'04	95⅝	95½	2,000
" W&Nwn.div.1st.g.6's	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Nov. 5,'04	122½	122	24,000
" 1st 7's	1918	5,000,000	A & O	129½	Nov. 5,'04	129½	129½	10,000
N. Y. Tex. & Mex. gtd. 1st g 4's.	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept.14,'04	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,831,000	J & J	102	Nov.25,'04	102	102	8,000
San Ant.&Aran Pass1st gtd g 4's	1943	17,544,000	J & J	88¼	Nov.30,'04	90	88	184,000
South'n Pac.of Ariz.1st 6's	1909	6,000,000	J & J	109⅝	Sept. 9,'04	....	....	....
" " "	1910	4,000,000	J & J	110⅝	Oct. 12,'04	....	....	....
" of Cal. 1st g 6's ser. A	1905	29,187,500	A & O	100⅝	Oct. 8,'04	....	....	....
" " " ser. B	1905		A & O	102	Oct. 22,'03	....	....	....
" " " C. & D.	1906		A & O	104¾	Sept.14,'04	....	....	....
" " " E. & F.	1902		A & O	113	Oct. 22,'04	....	....	....
" " "	1912	....	A & O	116	June29,'04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
" stamped	1905-1937	21,470,000	......	107½	Nov.14,'04	107½	107½	1,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	108	Sept.19,'04	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	103	Oct. 8,'04	....	....	....
" Sabine div. 1st g 6's	1912	2,575,000	M & S	109	Sept.13,'04	....	....	....
" con. g 5's	1943	1,620,000	J & J	103	Jan. 29,'04	....	....	....
Southern Railway 1st con. g 5's	1994	40,525,000	J & J	119½	Nov.30,'04	120	118	516,500
" registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	7,999,000	M & S	96⅝	Nov.30,'04	97	96	42,000
" registered			M & S	....	....	....	....	....
" Memph.div.1st g.4-4½-5's	1996	5,183,000	J & J	115½	Oct. 4,'04	....	....	....
" registered			J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's	1951	11,250,000	J & J	100¼	Nov.29,'04	100¼	99	22,000
" " registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118½	Nov.29,'04	118½	118½	5,000
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	96½	Nov.25,'04	97	96½	12,000
" 2d mtg	1948	775,000	J & J	90	Sept.27,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	118	May 12,'04	....	....	....
East Tenn., Va. & Ga. div.g.5's	1930	3,106,000	J & J	116½	Oct. 22,'04	....	....	....
" con. 1st g 5's	1956	12,770,000	M & N	121	Nov.28,'04	121	119¾	60,000
" reorg. lien g 4's	1938	4,500,000	M & S	112⅝	Nov.25,'04	112⅝	112⅝	1,000
" registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	124	Nov.22,'04	124	123¾	8,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	125	Sept.27,'04	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	118	Oct. 31,'04	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	112¼	Sept.14,'04	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	87¼	July 26,'04	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	108	Nov.25,'04	108	107¼	5,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small			M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	109	Oct. 31,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	109½	Jan. 22,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. F 5's	1931	1,310,000	M & S	108	Nov. 9,'03	....	....	....
Virginia Midland gen. 5's	1936	2,892,000	M & N	117	Oct. 12,'04	....	....	....
" gen.5's. gtd. stamped	1926	2,466,000	M & N	110½	May 10,'04	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	93	Dec. 31,'03	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115¾	Sept.21,'04	....	....	....
Spokane Falls & North.1st g.6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl.Ry.N.Y.1st gtd.g.4½'s	1943	500,000	J & D	100	Nov.22,'02	100	100	10,000
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	114½	Dec. 1,'03	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	118	Oct. 27,'04	....	....	....
" gn. refdg. sg. fd. g.4's.	1953	18,000,000	J & J	100½	Nov.25,'04	100¼	100½	2,000
" " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g.5's	1930	3,500,000	A & O	112½	July 29,'04	....	....	....
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th	1905	2,741,000	M & S	101½	Nov.11,'04	101½	101½	1,000
" 1st gold 5's	2000	22,234,000	J & D	122	Nov.30,'04	122	120⅝	43,000
" 2d gold income, 5's	2000	963,000	MAR.	97½	Nov.15,'04	98	93½	112,000

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" La. Div.B.L. 1st g.5's	1931	4,241,000	J & J	109½	Aug. 5,'04	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106⅛	Nov. 7,'04	106⅛	105¾	11,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	114	Sept.13,'04	....	....	....
" 1st M. g 5's West. div	1935	2,500,000	A & O	111	May 31,'04	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	107	Sept. 8,'04	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96	Oct. 26,'04	....	....	....
Toledo, Peoria & W. 1st g 4's	1917	4,900,000	J & D	93	Nov.23,'04	93	93	16,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	90⅛	Nov.30,'04	90⅛	90	38,000
" registered			J & J	....	....	....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	83¾	Nov.30,'04	84	80¾	486,000
" registered			A & O	....	....	...	....	... .
Toronto,Hamilton&Buff 1st g 4s	1946	3,280,000	J & D	95¼	Sept.16,'03	....	....	....
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	113	Nov.14,'04	113	112¼	7,000
" 1st ref. g. 4's	1952	700,000	A & O	93	Oct. 5,'04	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	106¼	Nov.30,'04	106⅛	105	727,500
" registered			J & J	104½	Oct. 31,'04	....	....	....
" 1st lien con. g. 4's	1911	79,051,000	M & N	115⅝	Nov.30,'04	116⅛	108¼	24,952,000
" registered			M & N	115¼	Nov.30,'04	115¼	109⅝	21,000
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	104	Nov.29,'04	104¼	103⅛	201,000
Oreg. Short Line Ry. 1st g. 6's	1922	14,931,000	F & A	125⅛	Nov.28,'04	125⅛	125	55,000
" 1st con. g. 5's	1946	12,328,000	J & J	119⅛	Nov.25,'04	120⅞	118	161,500
" 4's&participat'g g.bds	1927	41,000,000	F & A	104	Nov.30,'04	104⅞	103¾	2,628,000
" registered			F & A	95¼	Apr. 13,'04	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's	1926	1,812,000	J & J	114½	Apr. 19,'02	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	107	Nov. 7,'04	107	107	1,000
Wabash R.R. Co., 1st gold 5's	1939	33,011,000	M & N	117⅛	Nov.30,'04	118	117	178,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	111	Nov.25,'04	111	110	63,000
" deben. mtg series A	1939	3,500,000	J & J	95	July 21,'04	....	....	....
" series B	1939	26,500,000	J & J	69	Nov.30,'04	70¼	64¾	9,329,000
" first lien eqpt. fd.g. 5's	1921	2,755,000	M & S	102	Jan. 13,'04	....	....	....
" 1st lien 50 yr.g.term4's	1954	1,715,000	J & J	....	....	....	....	....
" 1st g.5's Det.& Chi.ex	1940	3,349,000	J & J	112¼	Nov.30,'04	112¼	111½	6,000
" Des Moines div.1st g.4s	1939	1,600,000	J & J	97	Nov.16,'04	97	96½	10,000
" Omaha div. 1st g. 3½s	1941	3,000,000	A & O	83⅝	Aug.11,'04	....	....	....
" Tol. &Chic.div.1stg.4's	1941	3,000,000	M & S	95	Nov.11,'04	95	95	22,000
St.L.,K.C.& N.St.Chas. B.1st6's	1908	463,000	A & O	109½	Mar.13,'03	....	....	....
Western Maryland 1st 4's	1952	28,760,000	A & O	88¾	Nov.30,'04	89½	87¼	628,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	118½	Nov.14,'04	118½	118½	7,000
" gen g. 3-4's	1943	9,789,000	A & O	95¼	Nov. 2,'04	95¼	95¼	2,000
" inc. 5's	1943	10,000,000	Nov.	40	Mar.21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	112	Sept.20,'04	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	112⅝	Nov. 7,'04	112⅝	112⅝	1,000
" Wheeling div. 1st g. 5's	1928	894,000	J & J	110¼	May 17,'04	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	110	Mar. 6,'03	....	....	....
" 20 year eqptmt s.f.g.5's	1922	2,152,000	J & J	100½	Aug. 1,'04	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	93⅛	Nov.30,'04	93⅛	91	325,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	93	Nov.29,'04	93¼	91½	215,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....	....	....	....	....
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	107⅞	Nov.29,'04	108	107¼	49,000
" 1st ref. conv. g. 4's	2002	10,000,000	J & J	85	Nov.30,'04	85½	83¼	1,854,000
" " registered			J & J	....	....	....	....	....
" City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	109½	Nov.18,'04	109½	109½	5,000
" Qu. Co. & S. c. gd.g. 5's	1941	2,255,000	M & N	105¼	Nov.25,'04	105¼	105	21,000
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	110	Nov.30,'04	111	109	106,000
" stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	93	Nov.29,'04	93	92	238,000
" stamped guaranteed			......	....	....	....	....	....
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	89	Nov.29,'04	90	88½	453,000
City & Sub. R'y. Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	8,355,000	J & J	99	Nov.23,'04	99	99	19,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,'19'	....	....	....
Denver T'way Co. con. g. 6's	1910	1,219,000	J & J	....	....	....	....	....
Metropol'n Ry Co. 1st g. g. 6's	1911	913,000	J & J	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's	1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....	....	....	....	....
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry N.Y.g. col. tr.g. 5's	1997	12,500,000	F & A	117¾	Nov.18,'04	118¼	117¾	33,000
" refunding 4's	2002	15,134,000	A & O	92	Nov.29,'04	92	91¼	183,000
B'way & 7th ave. 1st con. g. 5's	1943	7,650,000	J & D	118	Nov.29,'04	118	117½	8,000
" registered			J & D	119½	Dec. 3,'19'	....	....	....
Columb. & 9th ave.1st gtd g 5's	1993	3,000,000	M & S	118¼	Nov. 7,'04	118½	118	5,000

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" registered	3,000,000	M & S					
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	115⅝	Sept. 20, '04			
" registered		M & S					
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	98	Nov. 29, '04	98	96⅛	232,000
" registered		J & J					
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	117⅛	Oct. 4, '04			
Met. West Side Elev. Chic. 1st g.4's.1938	9,808,000	F & A	94	June 2, '04			
" registered		F & A					
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27, '99			
Minn. St. R'y (M. L. & M.) 1st con. g. 5's 1919	4,050,000	J & J	106	Nov. 22, '01	106½	106½	1,000
St.Jos.Ry.Lig't,Heat&P.1st g.5's.1937	3,763,000	M & N					
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04			
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov. 28, '99			
Undergr'd Elec.Rys.of London Ltd.		J & D	99¾	Nov. 30, '04	99⅞	99¼	2,042,000
5% profit sharing notes 1908 series A		J & D					
" series B	16,550,000	J & D					
" series C		J & D					
" series D		J & D					
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109¼	Dec. 14, '99			
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	88⅛	Nov. 29, '04	89½	85	55,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	87¼	Nov. 30, '04	87¼	84⅞	650,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N					
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28, '97			

MISCELLANEOUS BONDS.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	LAST SALE. Date.	NOVEMBER SALES. High.	NOVEMBER SALES. Low.	NOVEMBER SALES. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	103¼	Nov. 30, '04	104	103	35,000
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4, '02			
Bklyn.Ferry Co.of N.Y.1st c.g.5's.1948	6,500,000	F & A	63	Nov. 25, '04	63	62	3,000
Chic.Junc.& St'k Y'ds col. g. 5's.1915	10,000,000	J & J	107¾	Nov. 4, '03	107¾	107¾	2,000
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,655,000	A & O	78	Nov. 25, '04	80	78	17,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J					
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19, '94			
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8, '97			
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21, '02			
Newport News Shipbuilding & Dry Dock 5's..........1890-1990	2,000,000	J & J	94	May 21, '94			
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	92¾	Nov. 14, '04	92¾	92¾	5,500
" registered		F & A					
Provident L. Soc. of N.Y. g.4's..1921	1,000,000	M & S					
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J					
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D					
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	112	July 27, '04			
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	118½	Dec. 18, 19'			
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's..........1907-1917	1,000,000	J & D					
" F 4's..........1908-1918	1,000,000	M & S	100	Mar. 15, 19'			
" G 4's..........1903-1918	1,000,000	F & A					
" H 4's..........1903-1918	1,000,000	M & N					
" I 4's..........1904-1919	1,000,000	F & A					
" J 4's..........1904-1919	1,000,000	M & N					
" K 4's..........1905-1920	1,000,000	J & J					
Small bonds							
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	2,919,000		100	Oct. 27, '04			
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	95	Nov. 31, '04	95¾	87	279,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	96	Nov. 25, '04	96	93	47,000
Am.Thread Co., 1st coll. trust 4's.1919	6,000,000	J & J	86	Nov. 9, '04	86	86	1,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10, 19'			
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	84½	Nov. 30, '04	84¾	74¼	14643,000
" registered		F & A	79	Nov. 10, '04	79	79	4,000
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	77⅝	Nov. 30, '04	77⅝	73¾	2,398,000
Dis. Co. of Am. coll. trust g 5's..1911	2,530,000	J & J	99	Sept. 16, '03			
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17, '99			
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23, '04			
Internat'l Paper Co. 1st con.g 6's.1918	9,724,000	F & A	109½	Nov. 30, '04	109½	109	40,000
Int. Steam Pump 10 year deb. 6's.1913	2,500,000	J & J	103½	Nov. 29, '04	103½	103	22,000
Knick'r'ker Ice Co.(Chic) 1st g 5's.1928	1,937,000	A & O	97½	Oct. 6, '04			
Lack. Steel Co., 1st con. g. 5's...1923	15,000,000	A & O	105⅛	Nov. 30, '04	105⅛	101⅞	213,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,853,000	J & J	90	Sept 30, '04			
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	75	Nov. 17, '04	75	70	25,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	50	Nov. 23, '04	52	40	118,000
Standard Rope & Twine inc.g.5s..1946	6,806,000		7½	Nov. 29, '04	9	8	701,000
United Fruit Co., con. 5's........1911	2,446,000	M & S					

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
U. S. Env. Co. 1st sk. fd. g. 6's	1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.	1915	5,280,000	M & N	110⅛	Nov. 29, '04	110⅛	110	82,000
U. S. Reduction & Refin. Co. 6's	1931	....	......	80	Nov. 26, '04	80	77⅛	10,000
U.S. Realty & Imp. con. deb. g. 5's	1924	13,193,900	......	97	Nov. 30, '04	97	89¼	1,166,000
U.S. Shipbldg. 1st & fd g. 5's Ser. A	1932	14,500,000	J & J	28	Feb. 5, '04	....	....	....
" collat. and mge. 5's	1932	10,000,000	F & A	91	Jan. 15, '03	....	....	....
U.S. Steel Corp. 10-60 yr. g. sk. fd 5's	1963	}	M & N	93⅝	Nov. 30, '04	95⅞	84	36,602,000
" " " reg.	1963	} 170,000,000	M & N	93⅛	Nov. 30, '04	95¼	85⅛	83,500
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g. s. fd. g 5's	1943	5,355,000	F & A	102⅛	Nov. 25, '04	102⅛	101	114,000
{ " conv. deb. g. 5's	1911	} 1,710,000	F & A	90	Nov. 21, '04	91	89	55,000
" " registered			F & A	....	....	....	....	....
" " Trust Co. certfs		12,358,000	......	86¾	Nov. 30, '04	88	81	3,955,000
Col. C'l & I'n Dev. Co. gtd g. 5's	1909	700,000	J & J	55	Nov. 2, 19'	....	....	....
" Coupons off		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's	1919	640,000	M & N	107⅛	Oct. 7, '04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's	1919	949,000	A & O	102⅛	July 26, '02	....	....	....
Continental Coal 1st s. f. gtd. 5's	1952	2,750,000	F & A	107⅝	Nov. 21, '04	107¾	107⅛	158,000
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105⅛	Oct. 10, '98	....	....	....
" 2d g. 5's	1926	1,000,000	J & D	102⅛	Oct. 27, '03	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's	1951	3,000,000	J & J	105	Oct. 24, 19'	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s	1928	1,146,000	J & J	106¼	Feb. 27, '02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's	1912	335,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's	1951	3,000,000	J & J	96	Nov. 30, '04	96½	95¾	58,000
{ " Tenn. div. 1st g. 6's	1917	1,182,000	A & O	110	Sept. 24, '04	....	....	....
" Birmingh. div. 1st con. 6's	1917	3,637,000	J & J	112½	Nov. 22, '04	113⅛	112	8,000
Cahaba Coal M. Co., 1st gtd. g. 6's	1922	892,000	J & D	102	Dec. 28, '03	....	....	....
De Bardeleben C & I Co. gtd. g. 6's	1910	2,729,500	F & A	104¼	Oct. 3, '04	....	....	....
Utah Fuel Co. 1st s. f. g. 5's	1931	866,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's	1949	6,426,000	M & S	84	Nov. 30, '04	84¾	76½	455,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union Gas Co. 1st cong. 5's	1945	14,498,000	M & N	116	Nov. 25, '04	117⅛	114⅛	28,000
Buffalo Gas Co. 1st g. 5's	1947	5,900,000	A & O	69	Nov. 3, '04	69	69	1,000
Columbus Gas Co., 1st g. 5's	1932	1,215,000	J & J	104⅛	Jan. 28, '98	....	....	....
Consolidated Gas Co., con. deb. 6's	1909	17,653,000	J & J	186¾	Nov. 30, '04	188¼	186	992,500
Detroit City Gas Co. g. 5's	1923	5,608,000	J & J	99¾	Nov. 11, '04	99¾	99¼	52,000
Detroit Gas Co. 1st con. g. 5's	1918	381,000	F & A	105	June 2, '03	....	....	....
Eq. G. L. Co. of N.Y. 1st con. g. 5's	1932	3,500,000	M & S	102⅛	Nov. 5, '04	102⅛	102⅛	1,000
Gas. & Elec. of Bergen Co. c. g. 5s	1949	1,146,000	J & D	67	Oct. 2, '01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	91⅛	Nov. 21, '04	91⅛	91⅛	8,000
Grand Rapids G. L. Co. 1st g. 5's	1915	1,225,000	F & A	107¾	Dec. 17, 19'	....	....	....
Hudson Co. Gas Co. 1st g. 5's	1949	9,180,000	M & N	109	Oct. 12, '04	....	....	....
Kansas City Mo. Gas Co. 1st g 5's	1922	3,750,000	A & O	100	Oct. 18, '04	....	....	....
Kings Co. Elec. L. & Power g. 5's	1937	2,500,000	A & O	....	....	....	....	....
} " purchase money 6's	1997	5,010,000	J & J	122¼	Aug. 30, '04	....	....	....
Edison El. Ill. Bkln 1st con. g. 4's	1939	4,275,000	J & J	96¼	Oct. 7, '04	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	} 10,000,000	Q F	108⅞	Nov. 30, '04	109	108¼	86,000
" small bonds				97⅛	Nov. 1, '95	....	....	....
Milwaukee Gas Light Co. 1st 4's	1927	6,000,000	M & N	90¼	July 30, '04	....	....	....
Newark Cons. Gas, con. g. 5's	1948	5,274,000	J & D	....	....	....	....	....
N.Y. Gas EL. H & P Col stool tr g 5's	1948	} 15,000,000	J & D	113	Nov. 29, '04	113¾	111⅝	60,000
{ " registered			J & D					
" purchase mny col tr g 4's	1949	20,927,000	F & A	95¾	Nov. 30, '04	96	94	222,000
Edison El. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	104⅛	Nov. 30, '04	104⅛	104⅛	11,000
" 1st con. g. 5's	1995	2,156,000	J & J	120¼	June 27, '04	....	....	....
N.Y. & Qus. Elec. Lg. & P. 1st. c. g. 5's	1930	2,272,000	F & A	106⅝	Nov. 28, '04	106⅝	106⅝	1,000
N.Y. & Richmond Gas Co. 1st g. 5's	1921	1,000,000	M & N	100	Mar. 15, '04	....	....	....
Paterson & Pas. G. & E. con. g. 5's	1949	3,317,000	M & S	....	....	....	....	....
Peo. Gas & C. C. 2d gtd. g. 6's	1904	2,500,000	J & D	101¾	Aug. 2, '04	....	....	....
{ " 1st con. g 6's	1943	4,900,000	A & O	125	Nov. 25, '04	125	124½	11,000
" refunding g. 5's	1947	} 2,500,000	M & S	104¾	Nov. 2, '04	104¾	104¾	1,000
" refuding registered			M & S	....	....	....	....	....
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	109	Nov. 29, '04	109½	108¾	37,000
Con. Gas Co. Chic. 1st gtd. g. 5's	1936	4,346,000	J & D	108½	Nov. 19, '04	108½	108½	4,000
Eq. Gas & Fuel, Chic. 1st gtd. g. 6's	1905	2,000,000	J & J	102¼	Sept. 10, '04	....	....	....
Mutual Fuel Gas Co. 1st gtd. g. 5's	1947	5,000,000	M & N	102½	Nov. 30, '04	104	102	19,000
" registered		....	......	....	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	109	Feb. 8, '01	....	....	....
Utica Elec. L. & P. 1st s. f'd g. 5's	1950	1,000,000	J & J	....	....	....	....	....
Westchester Lighting Co. g. 5's	1950	5,360,000	J & D	....	....	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE. *Price.*	LAST SALE. *Date.*	NOVEMBER SALES. *High*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's.	1929	38,000,000	J & J	94	June30,'04	....	....	....
Commercial Cable Co. 1st g. 4's.	2397.	10,638,200	Q & J	100½	Apr. 8,'02	....	....	....
" registered	....		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's.	1918	1,823,000	M & N	109¾	June22,'04	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's.	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...	1938	8,504,000	J & J	112	Nov.29,'04	112	110¾	5,000
" fundg & real estate g.4½'s.	1950	17,000,000	M & N	104	Nov.30,'04	104¾	104	140,000
Mutual Union Tel. s. fd. 6's....	1911	1,957,000	M & N	107	June20,'04	....	...	....
Northern Tel. Co. gtd fd.4½'s..	1934	1,500,000	J & J	103	July26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
United States con. 2's registered...	1930		Q J	107¼	104¾	....	....	......
" con. 2's coupon............	1930	542,909,950	Q J	106¼	104½	104½	104½	1,000
" con. 2's reg. small bonds..	1930		Q J	....	....	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered...........	1908-18		Q F	106¾	104¼	104¼	104¼	500
" 3's coupon..............	1908-18	77,135,300	Q F	108	104¾	105	104¾	6,500
" 3's small bonds reg.....	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	107⅛	104⅞	....	....	......
" 4's registered.............	1907	156,591,500	J A J&O	108¼	106⅝	107	107	500
" 4's coupon.................	1907		J A J&O	108	104½	106½	104½	22,000
" 4's registered..............	1925	118,489,900	Q F	132⅞	131¼	....	....	....
" 4's coupon.................	1925		Q F	134	130⅞	130⅞	130⅞	10,000
District of Columbia 3-65's...........	1924		F & A	119¾	119¾	....	....	......
" small bonds.....................		14,224,100	F & A	....	....	....	....	......
" registered.........			F & A	....	....	....	....	......
Philippine Islands land pur. 4's...	1914-34	7,000,000	Q F	111¾	110¼	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5..............	1906	6,859,000	J & J	102¾	102	....	....	......
" " small............		....	....	....	....	....	....	......
" Class B 5's....................	1906	575,000	J & J	....	....	....	....	......
" Class C 4's....................	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's................	1914	10,752,800	J & J	105	102¼	....	....	......
" " small bonds..........								
Missouri fdg. bonds due.........	1894-1895	977,000	J & J	....	....	....	....	......
North Carolina con. 4's...............	1910	3,397,350	J & J	102½	101	....	....	......
" small........................			J & J					
" 6's........................	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......	1866-1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds.............	1892-1898	624,000	J & J	....	....	....	....	......
" "			A & O	....	....	....	....	......
" Chatham R. R..................		1,200,000	A & O	....	....	....	....	......
" special tax Class 1.............		....	A & O	....	....	....	....	......
" " Class 2.............		....	A & O	....	....	....	....	......
" " to Western N. C. R....		....	A & O	....	....	....	...	......
" " Western R. R..........		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R........		....	A & O	....	....	....	....	......
" " Western & Tar. R......		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's.........	1913	13,122,000	J & J	97	95¼	96½	96½	4,000
" registered.....................		6,079,000	J & J	....	....	....	....	......
" small bond....................		362,200	J & J	95	95	....	....	......
" redemption 4's...........	1907	469,000	A & O	....	....	....	....	......
" 4½s..........................	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........	1912	600,000	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1904. *High.*	YEAR 1904. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
Virginia fund debt 2-3's of	1991	18,054,809	J & J	98¼	91½	....	....	......
" registered			J & J	93	93	....	....	......
" 6's deferred cts. Issue of 1871		3,974,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871		8,716,565	....	9	6½	9	7½	60,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1	1901	14,776,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Russian Gov. State 4% Rente		2,810,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's	1908	3,000,000	M & N	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200		£22,076,220	......	104½	97½	....	....	......
Small bonds denominations of £20		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......

BANKERS' OBITUARY RECORD.

Bowdoin.—W. Graham Bowdoin, for several years a partner in the firm of Alexander Brown & Sons, Baltimore, died November 12. While seated at his desk Mr. Bowdoin was attacked with apoplexy, and never regained consciousness.

Brayton.—John S. Brayton, a wealthy manufacturer, of Fall River, Mass., President of the Fall River National Bank and of the B. M. C. Durfee Safe Deposit and Trust Co., died October 30, aged seventy-eight years.

Brown.—Gen. Charles S. Brown, who had been Cashier of the First National Bank, Flint, Mich., since 1871, died October 27. He was born and raised in Flint, and was about sixty years of age at the time of his death. When the Civil War began he joined the Union army, though but seventeen years old. When the war ended he returned to Flint and entered a bank.

Chisholm.—J. M. Chisholm, Mayor of Pembina, No. Dak., and President of the Merchants' Bank there, died November 12.

Cozzens.—Charles L. Cozzens, for thirty-five years paying teller of the Bank for Savings, New York city, died November 19. He was born at Utica, N. Y., in 1831.

Cullinan.—Col. Ralph F. Cullinan, President of the Beneficial Saving Fund Society, Philadelphia, died October 30. He was born in Ireland fifty-five years ago.

Davis.—Thomas E. Davis, President of the First National Bank, Grafton, W. Va., died November 3. He was born in Taylor county, W. Va., sixty years ago. He served in the Union army in the Civil War under General Grant, and was made second lieutenant. At the age of thirty he became President of the First National Bank, of Grafton. In 1888 and again in 1898 he was elected a member of the West Virginia State Senate.

Fowler.—Frederick H. Fowler, Assistant Cashier of the Exchange Bank, Spencer, Ind., died October 25.

Gibbs.—James S. Gibbs, Vice-President of the Illinois Trust and Savings Bank, Chicago, died November 12. He was Cashier of the bank from its organization until 1902, when he was elected Vice-President. He was born at Rochester, N. H., in 1843.

Hendrix.—Joseph C. Hendrix, former President of the American Bankers' Association, the National Bank of Commerce and the National Union Bank,

New York city, died November 8. He was born at Fayette, Mo., May 25, 1853, and was educated at Central College at Fayette and at Cornell University. After his graduation from the latter institution in 1870 he went into newspaper work. He located in Brooklyn and became prominent in politics. He was appointed postmaster of Brooklyn in 1886, and from 1887 to 1892 was president of the board of education. He was a member of the Fifty-third Congress and vigorously fought for the repeal of the silver-purchase act. In 1889 Mr. Hendrix organized the Kings County Trust Co., in Brooklyn, and became President. In 1893 he was elected President of the National Union Bank, New York, and when in 1900 this bank united with the National Bank of Commerce, he became President of the latter bank. In the Fall of 1903 the National Bank of Commerce absorbed the Western National Bank, and Mr. Hendrix retired from active banking, receiving, it is said, an honorarium of $250,000. At the time of his death he was a director of the Kings County Trust Co., National Bank of Commerce, the Fifth Avenue Trust Co. and the Morton Trust Co.

In 1897 Mr. Hendrix was President of the American Bankers' Association. He was a frequent speaker at the conventions of the association, and was popular for his wit and eloquence.

Though a banker for only about fourteen years, he rose to the head of one of the largest banks in the United States, besides being President of the organization representing the banking interests of the entire country.

Hoover.—Daniel Hoover, President of the People's National Bank, Waynesboro, Pa., from the time of its organization, died November 17.

Hood.—Gilbert E. Hood, Treasurer of the Broadway Savings Bank, Lawrence, Mass., died November 12, aged eighty years.

Hoyt.—Geo. H. Hoyt, President of the Stamford (Ct.) Savings Bank, died November 20. His death occurred while on his way to church, and was due to heart disease. Mr. Hoyt was sixty-five years of age at the time of his death.

Lewis.—S. Curt. Lewis, a private banker at Lockport, N. Y., and identified with banking there for many years, and also county treasurer, died November 12.

Nelson.—Oscar F. Nelson, Vice-President of the Farmers and Merchants' Bank, Cobleskill, N. Y., died November 7, aged sixty-nine years.

Nolan.—Charles A. Nolan, Cashier of the Bank of Ensley, Ala., died November 16, aged forty-seven years. Besides his banking connections he was largely interested in coal mining and building operations.

Ofstad.—Ole Ofstad, President of the Union Banking Co., Beresford, No. Dak., and also of the Merchants' Bank, of Alcester, died October 29.

Robinson.—Benjamin F. Robinson, for more than thirty years President of the Wakefield (R. I.) Trust Co., died November 10.

Royer.—Dr. Lewis Royer, President of the Tradesmen's National Bank, Conshohocken, Pa., died October 27, aged eighty-two years.

Thompson.—Howard W. Thompson, Cashier of the National Tradesmen's Bank, New Haven, Ct., died November 2. He was thirty-four years of age, and was the youngest as well as one of the most popular bank Cashiers in New Haven.

Tower.—Col. William A. Tower, head of the banking firm of Tower, Giddings & Co., Boston, died November 21. He was born at Petersham, Mass., in 1825. In 1850 he went into business in Boston, and in 1867 established the above-named firm. He was a director of the National Bank of the Commonwealth from its organization in 1871, and ten years later was elected President. He was also prominent in railway affairs. In 1863 he was a member of the Legislature and in 1882 was chosen a member of the Governor's Council.

Webber.—W. A. Webber, President of the Farmers' National Bank, Cynthiana, Ky., died November 11, aged eighty-seven years. He was a member of the Kentucky Legislature in 1877-79, and one of the wealthiest citizens of Harrison county.